CANADA

HOUSE OF COMMONS DEBATES

OFFICIAL REPORT

FOURTH SESSION—TWENTY-FOURTH PARLIAMENT

9-10 ELIZABETH II

VOLUME VIII, 1960-61

COMPRISING THE PERIOD FROM THE SEVENTH DAY OF SEPTEMBER 1961, TO THE TWENTY-EIGHTH DAY OF SEPTEMBER, 1961, INCLUSIVE

INDEX ISSUED IN A SEPARATE VOLUME

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1961

90205-6—508½

HOUSE OF COMMONS

Thursday, September 7, 1961

The house met at 2.30 p.m.

NATIONAL DEFENCE

ANNOUNCEMENT OF INCREASE IN ARMED FORCES —STATEMENT ON EMERGENCY MEASURES

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, it will, I believe, assist hon. members in their discussions during the next few days if the house is informed at this time of certain decisions taken by the government. I shall deal with certain phases, and my colleague the Minister of National Defence (Mr. Harkness) will deal with one or more others. These statements are not intended to take the place of the more comprehensive statements of ministers on estimates, including the statement that I shall be prepared to make on emergency measures when the estimates dealing therewith are under consideration.

I think it is generally agreed that the international situation has deteriorated since we last met, and tension has increased. Much of this has arisen from the statements of Premier Khrushchev in respect of the intentions and attitudes of the Kremlin toward West Berlin and allied questions. The government, after consultation with allied governments in NATO, has come to the conclusion that certain measures should be taken to strengthen Canada's preparedness for defence both at home and overseas.

We have decided to increase the overseas and naval forces assigned to NATO as follows:

To bring R.C.N. ship complements up to the strength necessary for a prolonged emergency the present complement will be increased by 1,749 officers and men.

The fourth Canadian infantry brigade in Europe will be strengthened by 1,106 all ranks, and there will be made readily available in Canada 1,515 as reinforcements.

The R.C.A.F. No. 1 air division in Europe will be strengthened by a total of 250 officers and men.

To allow for the strengthening of the brigade and air division in Europe, and for further strengthening over and above the foregoing, an order in council has been passed increasing the present ceiling on personnel strength in Europe from 12,000 to 14,000.

The increases to NATO assigned forces will be accomplished by transferring fully trained personnel now in home establishments.

In addition, to improve the general military effectiveness of our forces at home, and particularly those earmarked for the strategic reserve and available for use in Europe, it is intended to increase the strength of army formations by 8,950 personnel, and air force units by 989.

These measures will require a total increase of approximately 15,000 members in the regular forces, and it is intended to proceed immediately with the recruitment of this personnel. To authorize this increase under the National Defence Act an order in council has been passed increasing the limit of the numbers in the regular forces from 120,000 to 135,000. I shall ask leave to table the orders in council in question at the conclusion of my statement.

In the interests of maintaining the present high efficiency of the brigade overseas it has been decided, as already announced, to defer until next year the return to Canada of the Black Watch battalion now with the brigade and its replacement by a battalion of the Black Watch from Canada.

The decisions I have outlined will not have the effect of forming new units or formations but will bring existing forces to a higher state of preparedness and will make more effective the armed forces' contribution to the civil defence emergency organization. It is hoped that these decisions will be regarded not as provocative but rather as a manifestation of Canada's intention to stand solidly with its NATO partners.

In reviewing our defences we have concluded that in the event of nuclear war there would be a need for a larger number of men trained in survival operations than we now have. As things are today, the militia has an effective strength of approximately 42,000 men. Should Canada be attacked, many more men would be needed for survival operations and for the support of regular army field forces.

Consequently the government has approved a plan to increase the number of men trained to take part in survival and rescue operations should the need arise. It has been decided to train up to 100,000 men on special

courses, each lasting six weeks. Approximately 25,000 will be trained on each course in existing military armouries across the country.

These courses will provide sufficient basic military training to maintain the discipline and response essential to the control and effective employment of such a force on operations, but emphasis throughout will be on the teaching of subjects essential for national survival. During the period of their course trainees will serve in the militia on a continuous call-out basis. They will receive normal pay, with subsistence allowance in lieu of rations, as given to a regular army recruit private of single status. Physical requirements will not be as stringent as those now in force for the regular army, and standards of enrolment will be modified to permit acceptance of applicants between the ages of 18 and 50 years, married or single.

The first course is scheduled to get under way in mid-November. When the courses are completed, Canada will have a sizeable reserve of trained manpower essential to carrying out many tasks required for survival should this country come under nuclear attack.

I want to emphasize particularly what I am about to say. I would not want these measures to be interpreted in any way as being taken in contemplation of an early outbreak of war. Rather, they are insurance which the government, realizing the possibilities, must take as prudent, safeguarding precautions. I now ask to table the two orders in council in question.

Hon. D. S. Harkness (Minister of National Defence): Mr. Speaker, I think perhaps it would make for a more orderly presentation if I were to make this further announcement. Recent decisions have been made in respect of accelerating the army's program in national survival. I should like to outline the various decisions that were taken and the action that has resulted from these decisions so far.

It was decided to initiate partial manning of emergency headquarters by military staffs in order to provide greater reliability in the army command structure. As a result a full time skeleton staff was in operation in Camp Petawawa from the 24th of August, thus providing an emergency army headquarters. In addition, emergency command and area headquarters were established in each province at the same time, and the army centres from which the warning would be issued to the public were moved out from major centres of population.

We have been planning to establish headquarters associated with each likely target city. Their establishment has been accelerated, and in the last two weeks the staffs and interim sites have been selected and the senior officers will attend a two week training course later this month.

It was further agreed that additional stocks of food should be bought and that stocks of food, vehicles, blankets, clothing, medical and other such stores required to meet army needs should be dispersed to installations outside of target cities. We are now in process of making these purchases, and army commands have started to disperse their holdings.

It was decided to expedite the formation of the nuclear detonation and fall-out reporting system by redistributing certain radiation monitoring equipment on issue to army units for use in re-entry operations pending receipt from the various suppliers of the equipment which has been on order for some time. This action is going on and the system now has a limited capability. It was further decided that the Department of National Defence should speed up the survey of existing fall-out protection offered by its buildings. This is going ahead.

Department of National Defence officials have been in touch with the officials of the Department of Transport and of the C.B.C. with a view to ensuring that the emergency broadcast system is brought into being at the earliest opportunity. Steps have been taken to expedite the siren installation program that had already been approved and, in addition, an extension to this program has been authorized and is now being undertaken.

Orders for additional radiac and rescue equipment are now being placed to permit the reorganized re-entry units to be equipped as soon as possible. This reorganization involves almost tripling the rescue force, and includes an increase in the militia.

It was agreed that to enable the army works service to undertake the extra work involved in providing fall-out protection for the nuclear detonation and fall-out reporting system, the accelerated siren program and the survey of buildings, a civilian increase should be provided to the army works service. This has been approved, and arrangements are being made to take on the necessary engineers and technicians. In addition certain decentralization of authorities—G.O.C.'s and others—has been arranged to expedite the whole program.

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, the house has heard two statements the importance of which I certainly do not depreciate, and based on situations the seriousness of which it is not easy to exaggerate, statements on matters which are very much in all our minds today.

It would have been easier, and perhaps more effective, for the opposition to comment on the statements which we have just heard for the first time if they had been made by the Minister of National Defence in connection with the general statement on defence policy which presumably he will be making when the defence estimates are before the house in a few days' time. Because it is, of course, impossible to assess the value of the proposals which the government has now put before the house in relation to defence, and to comment on them in terms of the present serious situation or to justify the large sums of money which will be required to implement them, without knowing more about the objectives of defence policy and the means by which the government expects to reach those objectives. Therefore no considered statement would be expected from us at this time, I know.

Emphasis is being placed in these statements on the necessity for measures to improve the chances of national survival in time of catastrophy. I do not underestimate the importance of that subject. Perhaps it is not inappropriate, however, to point out that the only way we now have to ensure national survival is to prevent war, to abolish war as an instrument of national policy; because war now means general nuclear destruction.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, members of this group are fully conscious of the seriousness of the present world situation. I believe it is correct to say that all of us in this house have one purpose in our hearts, and that is the protection of our freedoms while at the same time maintaining peace.

Although we have one purpose we have, as democrats, the right to advance different proposals and methods. We are asked to comment on statements just read by the Prime Minister when we are absolutely in the dark so far as the government's proposals with respect to defence policy are concerned, to which the leader of the official opposition referred. We are asked to comment almost without knowledge of the policy and detailed objectives of the government in that respect.

On behalf of this group I can say that in principle, under present world conditions, we cannot agree that the present situation is best met by increasing our military might and our armaments. We urge the government to use moderation at this time. I have had the opportunity of talking to many Canadians of all parties, and am able to say that many of them are seriously concerned about what action the government intends to take in the near future.

We shall have more to say on that subject at the appropriate time. We urge the government to continue to press for the building up of the United Nations police force, placing less emphasis on our national forces. Let us make our contribution to collective security through an organization which comes under the control of the nations supporting the United Nations.

We readily support the proposals that are suggested for national survival to meet the frightening prospects of nuclear warfare. We are glad to know that additional numbers are to be trained to meet this threat because, in doing that, if the unfortunate should happen they will be a mission of mercy to save Canadian lives.

After we have had an opportunity to read carefully the Prime Minister's statement; after we have heard from the Minister of National Defence; after we, as it were, come out of the dark and are more into the light, we shall comment more fully and in greater detail on the statement just made by the Prime Minister.

[*Later:*]

On the orders of the day:

Hon. Paul Hellyer (Trinity): I should like to direct a question to the Minister of National Defence. Can the minister tell the house the estimated cost of the proposals announced earlier this afternoon by the Prime Minister and himself?

Hon. D. S. Harkness (Minister of National Defence): Mr. Speaker, for the balance of this fiscal year a rough estimate has been made. There will, of course, be detailed estimates made and submitted to the house. However, the rough estimate is that these various measures will result in expenditures in the neighbourhood of $35 million more than was provided in the book of estimates.

Mr. Hellyer: I have a supplementary question. Can the minister indicate what the annual cost will be after they are completely in effect?

Mr. Harkness: I should not like to give figures on that matter at this moment without going into it.

Mr. Hellyer: Surely they have been determined.

Mr. Harkness: Mr. Speaker, the hon. member says "Surely they have been determined". We have some estimates on them, but from memory I do not wish to give an answer which might not be absolutely correct.

Mr. Hellyer: Will the minister take the question as notice?

Inquiries of the Ministry

FINANCE

TEXTILES—TABLING OF TARIFF BOARD REPORT ON REFERENCE NO. 125

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, I wish to table copies in English and in French of the report which I received from the chairman of the tariff board relating to reference No. 125 on textiles. I am tabling also a transcript of the evidence presented to the board at its public hearings.

This report covers a miscellaneous group of tariff items relating primarily to textile products of jute, flax, hemp and other hard fibres. It is the eighth report to be presented by the board pursuant to the textile reference. Two further reports will be required to complete the series. They relate to coated fabrics and to hats and caps.

UNEMPLOYMENT INSURANCE

INQUIRY AS TO REPORT OF ROYAL COMMISSION

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): I wonder whether the Prime Minister is in a position to give the house any information as to when the commission that has been set up to examine into unemployment insurance matters is likely to report.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I have no definite information about that. I know that the chairman and those associated with him are devoting themselves most assiduously to the problem before them. However, I shall endeavour within the next few days to ascertain their target date, and will then inform the house.

POWER

COLUMBIA RIVER—INQUIRY AS TO CURRENT NEGOTIATIONS

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I should like to address a question to the Minister of Justice. Can the minister inform the house of any efforts the government has made since the adjournment to reach an agreement with the government of British Columbia with respect to the development of the Columbia river? Is he prepared to make a statement at this time as to the government's position in this stalemated situation?

Hon. E. D. Fulton (Minister of Justice): I thank the hon. member for giving me notice of his intention to ask this question, which, however, reached me only just before I came into the house, and did not contain the postscript which he has just added.

May I deal with it as he asked it. He asked whether I could inform the house of any efforts made to reach an agreement with the government of British Columbia on the Columbia river problem. As my hon. friend knows, it has not always been easy for me to establish contact with the premier of British Columbia; therefore I am necessarily forced to rely upon the statements I read in the press of that gentleman's intentions. Naturally enough, as my hon. friend will appreciate, we are assessing the implications of the position taken by the premier and the government of British Columbia, as that position is modified from day to day by further statements that the premier issues. The position of the government of Canada is being considered and I expect will be announced very shortly without any possibility of misinterpretation.

HOUSE OF COMMONS

REPORTED FINANCIAL IRREGULARITIES RESPECTING FORMER SECRETARY OF STATE

On the orders of the day:

Hon. Lionel Chevrier (Laurier): Mr. Speaker, may I direct a question to the Prime Minister. Has the Prime Minister received a report from the Minister of Justice on the transcript of evidence in connection with the Jean Talon hospital inquiry, and more particularly in connection with Senator Courtemanche? Has the Prime Minister any comment to make on the transcript, if he has received it?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I have received the transcript, and an examination has been made of the statements that were made by witnesses on both sides. Having made that examination, and having been informed that the royal commission will report on September 30 in regard to the matters that came before it, I would suggest that the report of the royal commission should be awaited.

FINANCE

EDIBLE OILS—INQUIRY AS TO TARIFF BOARD HEARINGS

On the orders of the day:

Mr. Reynold Rapp (Humboldt-Melfort): Mr. Speaker, I should like to address a question to the Minister of Finance. The minister may recall that in his budget speech of December 20, 1960, reference was made to the Customs Tariff and, in particular, to that part of it dealing with oil seeds and vegetable oil. The

minister also stated at that time that representations had been made to the government by growers of these oil seeds for a modification of the tariff.

Would the minister be in a position now to inform the house whether this matter has been referred to the tariff board for study and report?

Hon. Donald M. Fleming (Minister of Finance): Yes, Mr. Speaker, I am pleased to inform the hon. member and the house that the tariff board has given notice of public hearings on this reference on January 15 next.

INQUIRY AS TO OPERATIONS OF SECURITIES PURCHASE FUND

On the orders of the day:

Mr. Martial Asselin (Charlevoix): I have a question for the Minister of Finance. Will the minister indicate the extent of the operations of the securities purchase fund, which was announced in the budget?

Hon. Donald M. Fleming (Minister of Finance): Hon. members will be aware of the fact that in the budget speech on June 20 I announced that the government would establish a securities purchase fund with which we would be making purchases in the long end of the market with an initial amount of $100 million during the course of the next 12 months. That purchase fund has been in operation since that time. It is operated with a view to assisting in the management of the public debt.

In the budget speech I said that details would be announced later. I may say that monthly statements have been and will be issued in this regard. The first announcement was in fact made in our monthly financial statement for the month of July, and indicated purchases in that month of $11.8 million of outstanding securities.

I expect that purchases may vary considerably from month to month. In the recent past we have regarded our purchases and the modest measure of support that may flow to certain areas of the market at certain times in the light of differentials between interest rates in Canada and other countries, particularly the United States, and the influence of those differentials on international capital flows and the exchange rate. Any mechanical regularity of monthly purchases would, of course, be inappropriate, since the intention is to endeavour to impart some stability to the market. Purchases by the fund this year will not necessarily be limited to the figure of $100 million to which I made reference in the budget. If in a period of less than 12 months our purchases were to reach the figure of $100 million, they would not necessarily cease for the remainder of the 12 month period.

[*Later:*]

Mr. Stuart Fleming (Okanagan-Revelstoke): Mr. Speaker, I have a further question for the Minister of Finance relating to or arising from his answers to earlier questions. Can the minister report on the course of recent foreign exchange transactions?

Mr. Fleming (Eglinton): Mr. Speaker, hon. members will not need to be told that the Canadian dollar, expressed in terms of the United States dollar, has shown quite an impressive stability in international exchange. Its value expressed in terms of the United States dollar has been between 96 cents and 97 cents for some time now. I think the house will be pleased to know that it has not been necessary for the government to make massive commitments of funds in the exchange fund. This is certainly a matter of satisfaction to the government, and I think it will be to the house as well.

Perhaps, Mr. Speaker, I might make a comment on an associated subject while I am on my feet. In the course of the meeting of the executive board of the international monetary fund some time ago several directors expressed the hope that Canada might in due course see its way to rejoin other countries within the general system of fixed exchange rates. The meeting to which I am referring is the one which occurred in mid-July. There was, however, no suggestion that we ought to choose parity with the United States dollar or any other particular rate of exchange.

Mr. Louis Rasminsky, the governor of the Bank of Canada, who represented Canada at that meeting of the executive board of the international monetary fund, in expressing the government's intention to remain in consultation with the fund took the opportunity to remind other directors of the special continuing features of the Canadian situation which had led Canada some 11 years ago to abandon the fixed rate system after successive attempts to adhere to it. I may say that at that meeting also Mr. Rasminsky set forth the economic situation of Canada and the position of the Canadian exchange rate in the light of the statements which I made in the budget speech on June 20.

The meeting, which was called at our request, provided Canada with a welcome opportunity to reassure other directors of the international monetary fund that no competitive depreciation of the Canadian dollar is to be anticipated.

Inquiries of the Ministry

Mr. W. M. Benidickson (Kenora-Rainy River): Mr. Speaker, may I ask a supplementary question. Is the present discount, vis-à-vis the United States dollar, the equivalent of what the minister described in his budget speech as "a significant discount"? Those are the words he used when he described the aim of the government with respect to international exchange.

Mr. Fleming (Eglinton): Mr. Speaker, if the hon. gentleman will do me the honour of reading that speech very carefully he will see that the expression "significant discount" was related to circumstances at a particular time, and circumstances may vary. But I think the hon. member is aware that I have expressed the view that thus far the results of the change in the external value of the Canadian dollar have been quite satisfactory in the view of the government.

Mr. Hellyer: Significant.

TELEVISION

TORONTO—REPORTED TRANSFER TO U.S. OF INTEREST IN PRIVATE STATION

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): I should like to direct a question to the Minister of National Revenue. Before doing so, if I might be permitted, I should like to express what I am sure is the view of the whole house that we are very glad to see the minister back in the house.

The question I wish to put to the hon. gentleman is, has he any statement to make on the fantastic story which has appeared in the press that a very substantial interest in the private television station in the city of Toronto is to be transferred to United States interests?

Hon. George C. Nowlan (Minister of National Revenue): I appreciate the very kindly reference which has been made by the hon. member. I would have preferred, however, to have him confine himself to the flattering reference without the embarrassing question. Having had a heart attack, I have been prevented by the doctors from reading fantastic stories, so I have not seen the one to which the hon. member refers. However, I shall give consideration to his statement and advise the house later.

CANADIAN NATIONAL RAILWAYS

INQUIRY AS TO APPOINTMENT OF CHAIRMAN AND DIRECTORS

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): I should like to ask the Minister of Transport if he can tell us whether the government is having any difficulty in finding directors for the Canadian National Railways, and also what the situation is so far as the status of the president and chairman is concerned.

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, these nominations will be made very soon. So far as the second part of the question is concerned, there is no change in the status of the president.

CIVIL DEFENCE

PETERBOROUGH—REPORTED GAPS IN WARNING SYSTEM

On the orders of the day:

Mr. Walter Pitman (Peterborough): Mr. Speaker, I should like to direct a question to the Minister of National Defence, especially in view of the statement which has just been made. Is the minister of defence aware that gaps in the alert system which showed up during civil defence exercises at Peterborough last January, and which were reported immediately, have not been filled? If so, could he assure these officials that the situation will be rectified immediately?

Hon. D. S. Harkness (Minister of National Defence): I think the hon. member is referring to the siren system in Peterborough. I believe this system was installed in 1957 on the basis of a noise level survey made at that time by the department of health and welfare, which then had the responsibility for the siren system. There were certain gaps shown in the system in the last exercise, Tocsin, which was held, and a new survey is being undertaken of the noise level. It is proposed to add additional sirens in order to cover any deficiency which may be found to exist.

Mr. Pitman: Will the Minister of National Defence make a comment on the press statement by army officials of the eastern Ontario command that the sirens being installed for civil defence are primarily aimed at alerting people outside of buildings and not those inside buildings?

Mr. Harkness: I have inquired into this matter, and I find that no such statement was issued. I think there is some confusion over the fact that part of a lecture which was given by army officers on survival methods, and on warnings, states that sirens are more effective in warning people outside of buildings than inside. This is only natural. If you were deep inside a bank vault you would not hear the siren at all. However, in the normal house you do hear it. It is quite evident that any siren is going to be more effective in warning people outside than in

warning those inside. However, sirens are not primarily aimed at those outside of buildings. They are aimed at the entire population. I think that is the only comment I can make.

TRANSPORT

RICHELIEU WATERWAY—REQUEST FOR STUDY OF PROJECT

On the orders of the day:

Mr. Lucien Cardin (Richelieu-Vercheres): I should like to direct a question to the Prime Minister. In the light of the statement made recently by United States authorities to the effect that they intend to proceed with the Champlain-Richelieu cut-off without waiting for Canada, has the government decided upon a policy in this matter, and will it establish a board of engineers to survey the project and make a study of its economics?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I must first survey the statement before I can give any answer. I have not seen any reference to this matter by the United States.

COMMONWEALTH CONFERENCE

INQUIRY AS TO AGENDA—ENTRY OF U.K. INTO EUROPEAN MARKET

On the orders of the day:

Mr. J. R. Keays (Iles-de-la-Madeleine): I should like to direct a question to the Minister of Finance. In view of his impending departure, will he indicate the nature of the discussions to be held at the forthcoming commonwealth conference?

Hon. Donald M. Fleming (Minister of Finance): Tomorrow my colleague the Minister of Trade and Commerce and I will be leaving to attend the annual meeting of the commonwealth economic consultative council. The meeting this year is to be held in Ghana. It is, I believe, the first time a meeting of commonwealth governments has ever been held on the continent of Africa, and will have some special significance on that account.

The agenda of the conference is not normally made public in advance, Mr. Speaker, but I think I may say that in the course of the meeting there will be an opportunity for reviewing economic developments and for considering economic and trade questions of interest to the commonwealth and indeed of aid matters within the commonwealth, perhaps with particular reference to the special commonwealth African aid program which was inaugurated a year ago at the last meeting of the commonwealth economic consultative council. While relationships between the United Kingdom and the common market no doubt will be discussed, it is not considered that this particular meeting will provide the appropriate occasion for a detailed discussion in view of the fact that negotiations between the United Kingdom and the community are shortly to begin.

May I add, Mr. Speaker, that following the commonwealth meeting at Accra I shall be attending the annual meetings of the governors of the international bank, the international monetary fund, the international development agency and the international finance corporation, which are to be held this year in Vienna.

Hon. L. B. Pearson (Leader of the Opposition): May I ask the minister a question arising out of his answer. In view of the fact that he has just said that special consideration is not to be given at the Ghana meeting to the problems arising out of the United Kingdom application for admission to the European common market, could he inform the house whether there are commonwealth consultations going on in regard to this important matter, and how these consultations are being conducted?

Mr. Fleming (Eglinton): It will be recalled that on the last day of sitting of the house some of the ministers were engaged in a conference with Right Hon. Duncan Sandys, secretary of state for commonwealth relations in Her Majesty's government in the United Kingdom. He came to discuss with Canadian ministers the question as to whether the United Kingdom government should open negotiations with the community with a view to entering into the community as a member. I think the communique that was issued at the close of the meeting has been widely circulated. In any event, if it has not been already tabled I shall be glad to see that it is placed on the table of the house.

The views of the Canadian government were communicated to Mr. Sandys at that meeting. The house is aware that subsequently the government of the United Kingdom announced its intention of opening negotiations with a view to entry into the community, and that application was received by Dr. Erhard on behalf of the community, and arrangements are being made for the opening of negotiations as to the terms upon which the United Kingdom may enter the community as a member.

There have been discussions in relation to continuing communications on this subject. Hon. members will appreciate that this subject has now entered a different phase from that in which it was at the time of the meeting to which I have referred. There will be opportunity for continuing communication on this subject. I believe it has also been made known publicly that a meeting of officials of

commonwealth governments will be held in London later this month at which discussions will be held in relation to those commonwealth economic and other interests which the government of the United Kingdom has indicated it intends to seek to preserve in the course of its discussions with the community.

Hon. Paul Martin (Essex East): May I ask a supplementary question. In view of the fact that the minister is going to attend four or five conferences in a row, can he tell us whether he expects to be back in this house before Christmas? And with regard to the conference at Vienna, may I ask the minister who will be in charge of the delegation? Will it be the Minister of Finance or the Minister of Trade and Commerce?

Mr. Fleming (Eglinton): Mr. Speaker, I do not know whether the first question was prompted by the wish. However, if I come back before Christmas I hope the hon. gentleman will recognize me in the role of Santa Claus as usual. As to his second question, which was asked with his usual measure of innocence, I may say that there is no such question, and none such could arise. My colleague and I go to that conference, as we go to other conferences, in order to operate as a team.

Mr. W. M. Benidickson (Kenora-Rainy River): May I ask the Minister of Finance a supplementary question. He has indicated that he will be attending the conference of the international monetary fund at Vienna. Can the minister inform the house whether it is the intention of the Canadian delegation to sponsor or advance any specific ideas or representations with respect to the price of gold?

Mr. Fleming (Eglinton): Mr. Speaker, I take it that the hon. gentleman is referring to a price for gold that might be set somehow under international auspices. He is aware, of course, that it is the price that the United States is prepared to set for gold that largely determines the world price today. There may be variations in various markets, but fundamentally the great determinant of the price of gold in the world is the price established by the United States, and the present price is established by the United States congress, not by executive action. Consequently no change of a material nature is likely to take place in the world price of gold unless it were marked by action in that behalf by the congress of the United States.

I am not aware of any action intended or proposed in the United States congress in that regard. There have been and may well be at this forthcoming annual meeting of governors, discussion related to the world price of gold. In previous annual meetings there have been references to this subject from time to time, but in the last four years there has been no very direct discussion on the floor of the meeting in that regard. I may say to the hon. member that there have been discussions of a private nature in this regard, but fundamentally this is something which, for any material change, must await action on the part of the congress of the United States.

THE MINISTRY

INQUIRY AS TO ACTING MINISTER OF FINANCE

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): If I may, I should like to ask the Prime Minister a question. Having regard to the fact that there is on the order paper important fiscal legislation, and I am thinking particularly of Bill No. C-122, can the Prime Minister tell the house who will be acting minister of finance while the Minister of Finance and the Minister of Trade and Commerce are away?

Right Hon. J. G. Diefenbaker (Prime Minister): The Minister of National Revenue (Mr. Nowlan).

SUPPLY

The house in committee of supply, Mr. Chown in the chair.

DEPARTMENT OF EXTERNAL AFFAIRS

Department—

76. Departmental administration, $6,924,915.

Hon. Howard C. Green (Secretary of State for External Affairs): Mr. Chairman, today we meet in the Canadian House of Commons at a time of deep crisis. As hon. members know, for some weeks tension has been increasing steadily over Berlin, and within the last week the premier of the Soviet union has announced a resumption of nuclear tests. In addition to that, he has stated that his country can develop a nuclear bomb with the power of 100 million tons of t.n.t., and that such a bomb could then be hurled by rocket to any target in the world.

It was very interesting to read the first reports of this shocking statement. No doubt hon. members have seen them. I refer in particular to one which is contained in the Ottawa *Journal* of September 2. It is a dispatch from Moscow reporting an interview Premier Khrushchev held with two members of the British Labour party. To them he is reported as having declared that he had decided to resume the testing of nuclear weapons in order to shock the western

powers into negotiations on Germany and disarmament. In amplifying that statement he apparently said that by taking a tough line he hoped to make the Atlantic alliance agree to merging the discussions at Geneva on a nuclear test ban treaty with negotiations for general and complete disarmament.

There is no doubt that world opinion has been profoundly shocked by the statement and also by the actions which followed so quickly on the heels of the statement. I refer to the conducting of four nuclear tests in the atmosphere, where of course the radiation and fall-out are of the maximum degree. The United States has now decided that in the face of these actions by the Soviet union it must undertake nuclear tests, although they are not of the same type and are reported as being such that they do not produce fall-out. They will be tests in the laboratory and tests underground.

In the meantime a very statesmanlike step was taken by President Kennedy and Prime Minister Macmillan of the United Kingdom when they appealed to the Soviet premier on September 3 in the following words:

> The President of the United States of America and Prime Minister of the United Kingdom propose to Chairman Khrushchev that their three governments agree, effective immediately, not to conduct nuclear tests which take place in the atmosphere and produce radioactive fall-out. Their aim in this proposal is to protect mankind from the increasing hazards from atmospheric pollution and to contribute to the reduction of international tensions.
>
> They urge Chairman Khrushchev to cable his immediate acceptance of this offer and his cessation of further atmospheric tests.
>
> They further urge that their representatives at Geneva meet not later than September 9 to record this agreement and report it to the United Nations. They sincerely hope that the U.S.S.R. will accept this offer, which remains open for the period indicated.
>
> They point out that with regard to atmospheric testing the United States and the United Kingdom are prepared to rely upon existing means of detection, which they believe to be adequate, and are not suggesting additional controls. But they reaffirm their serious desire to conclude a nuclear test ban treaty applicable to other forms of testing as well, and regret that the U.S.S.R. has blocked such an agreement.

As yet there has been no reply to that appeal, and I am sure I speak for all members of the house when I say that we still hope Premier Khrushchev will agree to the proposal which has been made.

In my opinion, Mr. Chairman, the great tragedy of 1961 has been that Soviet leaders have not understood or have ignored the fact that President Kennedy and his top advisers have, from the start of their administration, genuinely desired to bring about a reduction in world tension. We know that for a fact because of our contacts with these United States leaders.

For Canadians it is so important at this time not to add fuel to the flames with the world hovering on the brink of a nuclear war. We must do our utmost to help to reduce tension, and the government has been doing that during the recent very serious weeks. We must not lose our heads but must show Canadian common sense. Common sense is one of the finest qualities in the Canadian character, and now is the time to remember this and to show that common sense in our talk and in our actions.

In addition, we must continue our idealistic approach to world affairs. Because the situation is serious is no excuse for Canadians to abandon the idealistic approach they have had down through their history. These attributes have been shown by Canadians for a long time. Such is our record, and this is what is expected of us now by all nations, including the nations in the communist camp. A few weeks ago in Geneva I had a brief talk with Mr. Gromyko, the foreign minister of the Soviet union. There was, of course, a certain amount of banter but finally he said "I know that Canada stands for peace". That is our reputation in world affairs, and it is a very good reputation to have.

Today I propose to deal with certain material factors in the present world situation. Ordinarily I would go on to cover various other subjects which probably are of equal importance, but I plan today to deal with the facts relative to the present serious situation and later during the discussion of the estimates I shall try to deal with these other subjects.

First of all let me deal with nuclear tests. The tremendous world interest in nuclear tests is because people are rightly afraid of the effects of radiation and fall-out. They remember what happened at Hiroshima and they know that the damage and destruction would be infinitely greater in a nuclear holocaust with the present hydrogen bombs. They are worried about the effect not only on themselves but on the generations to come.

For this reason, and also in the hope that an agreement to ban nuclear tests would be a long step toward a general disarmament agreement, the three nuclear powers, the United Kingdom, the United States and the Soviet union, decided nearly three years ago to try to work out a nuclear test ban agreement. France did not participate in that conference and, I think unfortunately, in the intervening period set off certain nuclear blasts, although the other three countries until last week maintained a moratorium on any further testing.

This conference held its 339th meeting this week and it meets again on Saturday, September 9, in Geneva. Up to the end of last year

there had been great progress made in these negotiations. Scientists of the three countries had met and reported on various ways of checking tests, and the delegates had agreed to many paragraphs of a test ban treaty. Incidentally, at the United Nations last year there were two resolutions passed dealing with the suspension of nuclear and thermonuclear tests. One of them contained this operative paragraph:

Urges the states concerned in these negotiations—

The reference is to the negotiations at Geneva.

—to continue their present voluntary suspension of the testing of nuclear weapons.

That resolution was sponsored by Austria, India and Sweden and was adopted by a vote of 89 in favour, including Canada, none against and four abstentions. Another resolution, sponsored by India and 25 other countries, contained the following operative paragraph:

Urges the states concerned in the Geneva negotiations to continue their present voluntary suspension of the testing of nuclear and thermonuclear weapons, and requests other states to refrain from undertaking such tests.

That resolution was adopted by a vote of 83 in favour, including Canada, none opposed and 11 abstentions.

This year for some reason or other—I really do not understand why—the delegate of the Soviet union to the conference in Geneva became intransigent. It was really impossible to make any further progress.

The United States and Great Britain submitted revised proposals meeting many of the objections which had been taken by the Soviet delegate, but these were not even adequately discussed by the Soviet representative. He was insistent on the troika principle for controlling the test ban under which principle there would be one representative of the U.S.S.R., one representative of the western side and one neutral, and was also insistent that the whole question of nuclear tests should be taken out of the conference and put into a general conference on disarmament. However, the conference still goes on. The western side have refused to take steps to break it off, and I believe have acted very wisely in so doing.

At the United Nations in 1959 Canada sponsored a resolution calling for more adequate reporting on radiation and for additional steps to warn the people of the world about the effects of radiation as well as further action along that line. The resolution was co-sponsored by ten other nations and was finally adopted by unanimous vote on November 21, 1959. We offered to conduct in Canada tests of samples of air, soil, water, food and bone collected in nations which did not have the scientific facilities for carrying out such tests. In the intervening period arrangements have been made with Burma, Malaya, Ghana and Pakistan for Canada to carry out such tests. We have had to build up staff in Canada to do this work. We have extended our facilities and everything has now been prepared with this end in view.

As a result of the resolution, increased attention has been given to radiation problems internationally. For example, 13 other states have offered their facilities in the same way Canada did. These include the United Kingdom, the United States, Australia, France, Norway, Belgium, Sweden, Denmark, Japan, Israel, the Soviet union, Argentina and Italy in addition to the International Atomic Energy Agency and the World Health Organization. There has been a marked increase in the number of member countries supplying the United Nations with data on fall-out levels. I think we can be proud of the results that have followed from the initiative taken in 1959.

In addition we have made it perfectly clear for a long time that the Canadian government is opposed to nuclear tests of any kind. That was done in order that there would be no misunderstanding and that every country would know exactly where we stood. We see no reason for Canada to change that policy.

In the present situation, with the Soviet union conducting these tests in the way it has been, there can be no doubt that the responsibility for this backward step must be placed at their door. The United States has said that it now proposes to carry out tests. I think in fairness every hon. member of the committee would agree with me that the United States could not sit by indefinitely while the Russians were proceeding with their tests; but naturally we regret that it has been deemed necessary for the United States to announce the resumption of tests at this time. Canada on this problem will endeavour to further an agreement banning tests. That may not be an objective easily reached, but this is the target at which we will be aiming.

Having dealt with nuclear testing, I turn now to the situation in Berlin and Germany. I am sure all hon. members of the committee and the Canadian people generally will join with me in supporting the clear-cut, analytical and statesmanlike speech made by the Prime Minister of Canada in Winnipeg on September 1. I see by the press that the Leader of the Opposition has said he agrees with the attitude adopted in that speech by our Prime Minister. It would be tantamount to gilding the lily for me to attempt today

to go over the same ground which was covered by the Prime Minister on that occasion. I merely point out that for many months there have been warnings by the Soviet union that there would be a peace treaty signed with East Germany and there have been various threats, not all confined to one side, incidentally.

Threats do not obtain very good results. Perhaps this is one of the ways in which the Leaders of the Soviet union misunderstand the people on the western side. The Soviet cannot obtain results by threatening the Canadians, the British, the people of the United States or other western nations. We have been threatened before, and have met those threats with the proper action. That is the reason we are in active business in the world today. We do not back down in the face of threats.

There is an election campaign under way in West Germany which tends to add to the confusion with respect to the situation in Berlin. Voting takes place on September 17, ten days from now. The leader of the main opposition party is the mayor of West Berlin. I suppose knowing elections as we do, we might have expected that there would be a great many statements made which might not have been made the day after the election.

I also draw attention to the flood of refugees from East Germany into West Germany. This is a very significant factor. It shows more clearly than a million words could do what the people in East Germany think of the regime in that country. Of course it has had a very damaging effect on the image of communism which is being portrayed to other nations of the world.

Let me say a word also about President Kennedy's stand on Berlin. A few weeks ago he made a speech, which probably all hon. members heard, in which he set out the position on which the western world would stand. I think it was wise to do that in order that there could be no misunderstandings, no miscalculations, as are supposed to have happened in the case of both the first and second world wars. He went further and said that the United States was willing and anxious to enter into negotiations about this whole question, and that too was very wise. Our own Prime Minister has said the same thing and has stressed the need for negotiations. At one stage or another all parties have said that there must be negotiations in an attempt to iron out this difficult problem.

Our policy today on Berlin and Germany is that an attempt must be made to settle it around the table. There are many channels and methods for exploring with the Soviet union possible grounds of agreement. Partly to this end the foreign ministers of the three major western powers and of West Germany will be meeting in Washington on September 14, one week from today, to discuss further the steps which may be taken to reach a satisfactory agreement with the Soviet union. Similarly, consultations will continue in the North Atlantic council—and there have been many consultations in that council during the last few weeks—about peaceful solutions to this dangerous problem in accordance with the United Nations charter.

Through these discussions with our allies and in negotiations with the Soviet union it is hoped that it will be possible to reach an honourable accommodation with the Soviet. Canada certainly will do everything in her power to help bring about negotiations, and will do her part to see that they are brought to a successful conclusion.

The third material factor with which I wish to deal briefly is the position of the North Atlantic Treaty Organization. Today I would think there are not very many Canadians who believe that NATO is superfluous, and that it does not have a very important part to play in the world situation. So often it is forgotten that this is a defensive alliance. It was not set up for purposes of aggression. We know that the countries of that alliance do not believe in aggression. It was set up to defend western Europe and the north Atlantic area. It is so important that that organization be kept strong.

The Deputy Chairman: May I interrupt the minister. Under the rules, his time has expired. Would the committee give unanimous consent for the minister to continue?

Some hon. Members: Agreed.

Mr. Green: Mr. Chairman, through you may I thank the members of the committee for giving me this extension.

In recent months discussions in the NATO council have greatly improved, and I am glad to be able to announce that on Monday next we shall have in Canada Mr. Dirk U. Stikker, the distinguished secretary general of the North Atlantic Treaty Organization. He will be here for a two day conference with Canadian ministers, and this will give us an opportunity to review the whole NATO situation. Mr. Stikker took on this difficult post just a few months ago; he has been making a great success of that work, and we shall welcome him very warmly when he pays his first visit to Canada.

I think Canada must state once again that she believes in the equality of membership in the North Atlantic Treaty Organization. There is always the danger of the bigger nations trying to set up a sort of executive or control body. A few months ago there was

concern over a possible three nation executive, a three nation triumvirate directing NATO. Now, with the Berlin crisis, West Germany has been taking part in the various discussions on Berlin with the United States, the United Kingdom and France. I think we must take care to see that there is not a four power group assuming executive powers in the organization.

At the last meeting of the North Atlantic Treaty foreign ministers we were very pleased to find that there was practically unanimous opinion that there was no incompatibility in the member nations of NATO taking independent stands in the United Nations, particularly on peace keeping activities of the United Nations and on appeals to world opinion. Canada has never believed that membership in NATO should restrict her activities in the United Nations.

A fourth material factor today is the question of disarmament. As hon. members know, Canada was a member of the ten nation disarmament committee which was torpedoed by the five communist members in June of last year. Two months later, with the United States, we were able to bring the question before the disarmament commission of the United Nations and to obtain a unanimous resolution there that negotiations should be resumed. Subsequently we brought in a resolution at the United Nations general assembly last fall which was designed to help get negotiations under way again. That resolution was co-sponsored by 18 other nations.

During their meeting in London this spring the prime ministers of the commonwealth issued a very significant statement on the question of disarmament. This was particularly helpful because of the membership of the commonwealth. The prime ministers came from practically every continent and they had varying opinions. They did not agree on all things. But on this statement on disarmament they were unanimous and issued a communique in respect thereof. I think in the days ahead as work proceeds on disarmament this commonwealth resolution will be of great importance.

At the session of the United Nations which ran over into the spring of 1961, it was finally agreed that the problem of disarmament and all pending proposals relating to it, which included the Canadian resolution, would be stood over until the session of the general assembly in the fall of this year. In addition the United States and the Soviet union agreed that they would sit down and try to work out a negotiating group, as well as general principles for negotiations, on the question of disarmament.

Since the spring there have been discussions between the representatives of these two great powers. Canada has throughout warmly approved this attempt to reach agreement on a suitable forum for resuming disarmament negotiations and a satisfactory set of directives to guide the negotiators. We have been kept closely in touch with all that has gone on at each of the meetings, and here again the United States has made a real attempt to devise a satisfactory basis. It has been flexible in its approach during these two nation discussions.

The talks, of course, have been confidential and it is not possible to reveal the substance of the matters discussed. While they have not achieved their goal, the differences between the two sides have been clarified. Yesterday the United States and the Soviet union, were meeting in New York on this question of disarmament.

The last few days, Mr. Chairman, have seen barely concealed threats which, as I have said, we must meet squarely. This situation, however, does not mean that we should downgrade our efforts to further the cause of disarmament. On the contrary far-reaching measures on disarmament are now more vital than ever if we are to avoid even sharper east-west conflicts in a world which daily sees the development of more frightening weapons. We must recognize clearly that until a realistic basis for negotiation is established, we will continue to run the most dangerous risk of all, the risk of nuclear war.

During the past months Canada has taken an active part in the drafting of a new western disarmament plan. Throughout this period the United States and the other countries which represented the west on the ten-nation committee have been in close consultation. The other members of the western alliance who were not on the committee have also had an opportunity to express their views on the new plan. The contents of this plan cannot be revealed at this time, but it does constitute a significant improvement over previous western proposals. We have been represented during these discussions by Lieutenant-General E. L. M. Burns who has played a very large part in the field of disarmament for a long time and who, I suggest, has no peer anywhere in the world in this particular field.

Many of our suggestions have been accepted in the working out of this new plan. A great deal of effort has been put into trying to meet the desires expressed at the commonwealth prime ministers conference to ensure the maximum amount of disarmament in the shortest possible time. Full consideration has already been given to the reasonable Soviet proposals.

This new western plan will be put forward for negotiation, and not on a "take it or

leave it" basis. The western powers are willing to take into account any further suggestions the Soviet union may have, provided they reflect a genuine willingness to arrive at a realistic and properly safeguarded disarmament program.

At the session of the general assembly which opens on September 19, Canada will work for the endorsement of this new western plan by the widest possible number of states and we will do our best to ensure that any negotiating body which may be agreed upon will have close relationship with the United Nations. We believe that the most important objective in the field of disarmament is to get negotiations started again just as quickly as possible.

Then, I should like to say a few words about the unaligned nations conference which met over the week end in Belgrade. There you had 25 neutral nations, some of whom were not very friendly towards the west if one can judge by their actions in recent years. The representatives of these nations came from various continents to try to work out some plan to help reduce tension in the world. I grant that a good deal of time was spent in attacking the question of colonialism and issues which affected particular nations. I believe that the press reports of the meetings of these unaligned countries have not done justice to the significance of their reaction to the questions of Berlin and the resumption of nuclear testing. The dispatch which came out during that conference after the Soviet announcement that nuclear tests would be resumed is contained in one of our newspapers under this heading: "Neutrals Rap A Testing; Urge Berlin Talks."

It is very important that that should have been the reaction in Belgrade. I think, for example, that the statements made by Prime Minister Nehru have been and will be very helpful in bringing about some solution of these terrible problems. I learned the hard way at the United Nations, when dealing with our resolution on disarmament last year, that there are a good many countries which will not stand up and be counted for fear of antagonizing the United States. There are a great many others who will not stand up and be counted for fear of antagonizing the Soviet union. As I say, these neutral countries do not like to take a stand if it can possibly be avoided, yet we have witnessed the sharp reaction of these 25 neutral nations to the resumption of testing by the Soviet union and also to the question of Berlin.

Another important factor in the present situation is the attitude of the new nations. We are living in an era in which there has been a greater expansion of freedom, a greater launching of new nations, than at any other time in history. From Asia and in Africa the young leaders of these new nations are coming over to New York, to the United Nations, and are taking their part in the deliberations. They are vitally interested in building up their own countries. They have no use whatever for the cold war because they are so busy and have so many problems of their own. They do not want to be bothered with the cold war. They know that if the cold war ever gets hot they will get little economic assistance from either the western world or the communist world. These new nations have an important part to play in the world today. I believe that their opinion as expressed in the United Nations in the next few weeks may have a good deal to do in bringing about a reduction of tension and in putting pressure behind the great powers for a settlement of these problems.

The new nations are all extremely sensitive on the question of colonialism. They have an emotional reaction when that question is under debate and this reaction is understandable. We would have had the same reaction perhaps a hundred years ago. The Soviet never loses an opportunity to try to play upon and to take advantage of that reaction. Last year they introduced a resolution attacking the so-called colonial powers, demanding that all colonies be freed before the end of 1961, and insisting on target dates being set for each country. I do not doubt that they will be back at that same performance in the next session of the general assembly.

However, this is one field in which the commonwealth does not need to take any advice or any criticism from the Soviet union. Last year our own Prime Minister spiked that attack in the United Nations by his great speech in the opening days of the session when he pointed out the situation in such countries as Estonia, Lithuania and Latvia. I may say that one is amazed at the nerve of the Soviet representatives in coming to New York and talking about colonialism and the sins of the colonial powers. I marvel that they have the gall to take that position. However, certainly in this particular field the commonwealth in our own time in recent years—and I am thinking of 1961 and 1962—has been and is showing perhaps the greatest statesmanship that has ever been shown by a great power in this world. Tanganyika is being launched on December 9, and the West Indies Federation next year. Shortly after that probably Uganda and Kenya will be launched. These latter two may come in with Tanganyika to form a federation in eastern Africa. Other colonies under the British flag are to get independent government in the same way at the earliest possible date and just as quickly as trained leaders can be provided for those

countries. We may have some extremely interesting discussions on this question of colonialism during the coming session of the United Nations.

Finally, may I say this. The special material factor in the world today is the United Nations and in particular the session which commences later this month. I have no doubt that nuclear tests and the question of Berlin will be discussed during that session as well as many other issues with which I shall deal later on in this debate on the estimates. We must never forget that the United Nations is the best place we have in which to focus world opinion. The big question in my mind is this. Have the Soviet union gone so far that they are now prepared to ignore world opinion? Hitherto they have been playing up to other nations and trying to get support from other nations all over the world just as the United States has been doing. In their statement announcing that they were going to have nuclear tests, they actually said this was a great movement to help peace and they appealed to the uncommitted nations on that basis. How they could justify that argument I do not know either. However, if they have decided to ignore world opinion, we are in for extremely serious trouble; there can be no mistake about that fact. Let us hope that the leaders of that great country will be sensitive to world opinion, and that they will not simply ignore it and decide to go their own way seeking world domination.

In my opinion, Mr. Chairman, it is more than ever vital that Canada support the United Nations. This is no time for belittling that world organization. Some people say, "Oh, look at the mess it has made in the Congo". May I say this. Without the United Nations in the Congo there would have been blood feuds there and tribal wars, with thousands and thousands of people slaughtered during the whole of last year. This situation probably would have spread to adjoining areas. The situation would have been disastrous and might well have brought on a world war. The United Nations moved in without any precedent to follow, without trained personnel to do the job. They moved in or recruited a United Nations force and today there is a government in the Congo. They are having many troubles. They do not function as efficiently as does the Canadian government, I admit. Of course, it would be difficult for any other government to do that. However, they have a government and I believe that the problems are going to be worked out as a result of the leadership and the action of the United Nations. I am sure we are all proud that Canada has played such a significant part in the Congo and that we are one of the three European and North Atlantic countries serving on the Congo committee.

[Mr. Green.]

The United Nations today is the main hope of mankind. If it grows and succeeds, there will be world order. If it fails, there will be world destruction. That is the choice. I would hope that all Canadians will rally behind the United Nations at this time as they have never done before, although our people have always been supporters of that body.

In conclusion, I repeat what I said at the beginning. This House of Commons is meeting in a time of deep crisis. In times such as these a nation shows its calibre. Canada has done so on more than one occasion. We remember Canada in the first war. We remember Canada in the second war, the June day 21 years ago, when France was falling and when our then minister of defence was killed in a terrible air crash. It looked as though the United Kingdom would be invaded. I do not believe that in my lifetime there has ever been a darker day than that particular Monday. But no Canadian member of parliament had a thought in his head that there was going to be any surrender, that we were not going to face that situation and were going to win through. I know that Canada will show her calibre and her mettle in these present trying times.

The road ahead will be hard. Perhaps we have had enough of the soft life anyway. But the road ahead is certainly going to be hard and there will be tension for a long, long time. We might just as well face that fact. From Canadians courage will be required, both physical and moral, and sacrifice; and I believe above all, a return to our deep abiding fundamental faiths. If we face this challenge we will win through and the result may very well be to make our nation one of the leading nations of the world.

Mr. Martin (Essex East): Mr. Chairman, the Secretary of State for External Affairs (Mr. Green) stated that this is a time of crisis. The committee may be interested in knowing that exactly 22 years ago today parliament met to authorize a declaration of war. The statement made by the Secretary of State for External Affairs as to the critical situation, with the special knowledge that is his, is one which every hon. member of this house will examine with a sense of responsibility and concern. Nearly six months have elapsed since our last brief discussion on foreign affairs in this house. A measure of the urgency and seriousness of this situation is that we are debating external affairs on the first day back.

There have been a number of historically important international events during these months and, like the Secretary of State for External Affairs, while I propose to discuss mainly the immediate situation provoked by the recent decision of the Soviet union to

carry on certain tests of nuclear weapons and the situation in Berlin, I should like to mention one or two events the historic importance of which I think ought to be noted at this time.

First of all, Britain's declaration of her intention to open negotiations with the European common market has for her, for Europe and for Canada deep implications. One may well wonder, I think, whether the government, with its policy of reluctant acquiescence in Britain's policy, has a full appreciation of these implications. I believe much progress has been made in the organization of American states during these last few months. We were told by the Prime Minister some months ago that this house would be given the opportunity of expressing its view with regard to the desirability of Canadian membership in the organization of American states. I express once again my own strong personal view that the time has come when Canada must accept its responsibility in this organization.

I do not see how we can affirm our responsibility in matters of world consequence in Europe, Asia and Africa and ignore our responsibilities to our own sister American continents. I believe that the Associate Minister of National Defence perhaps shares this view and may be giving some indication of the future intentions and policy of the government in this regard, for I find that when in Uruguay as our unofficial observer at the recent important conference held in that country, he is reported in the Toronto *Globe and Mail* of August 24 as having made a number of very important and I think, true statements about the economic and social situation in this fermenting section of the world.

Among other things the associate minister said:

> The feature that struck me was that Latin America seems to be at the crossroads. Either they will advance and achieve prosperity and progress through democratic free enterprise, or some nations —unless they find a solution to their problems— quite easily will fall prey to communist theories and methods.

Then he said that Canada is regarded as an important link with the United States, and then continued:

> Because of our size, they are confident we might understand their problems better.
>
> But we can never ignore it. Our prestige there is enormous. They need money, but they need even more the scientific training to use their resources.
>
> They need help in business and industrial methods, and also in cultural affairs. But you can't go to a proud country and say "Let us teach you something". Tact is the most important thing.

We all agree that tact is the most important thing. Certainly the press comments on the speech of the associate minister during his observer's visit to Uruguay in August will leave the government in a hopelessly contradictory position if they do not indicate whether or not there is to be a follow-up of its recognition of Canada's responsibility to those nations in Latin America in an area where we have now seen, in two very important and vital countries, some indication of the growing power of communist influence.

We have a responsibility in terms of our own security as well as a nation in an interdependent world. The statement of the Associate Minister of National Defence places us in the dangerous position of losing respect and our influence among the nations of Latin America, nations which have so cordially and insistently invited us to join their ranks, unless the government pays some official public attention, preferably in the house at this time, to the important statements made by the Associate Minister of National Defence.

Likewise, with regard to another matter, no review of these recent months can overlook the atrocities being perpetrated in Angola. We must not forget that this country is pregnant with possibilities for exploitation by the Soviet union, perhaps on a scale much greater than anything that has happened in any other country of Africa. I wonder, for instance, exactly what our position is. Prior to the adjournment the Secretary of State for External Affairs responded to certain questions of mine with regard to arms and Angola, and there are certain questions now on the order paper to which I suspect we may anticipate replies within a few days.

I have here a clipping from the excellent reporting service of the London *Observer* referring to an aeroplane with Canadian markings engaged in attacks on native villages. This is a report dated July 22. If the minister's attention has not been directed to it I will certainly pass it over to him. If that report is true, some of the replies that have been given with regard to Canadian arms and Angola seem to be inconsistent with the replies given me prior to adjournment.

There are other matters of great importance. During the discussion of the estimates, as the minister said, we will be afforded the opportunity of expressing our views on some of these questions. Like the minister, I wish to confine myself mainly to the questions of Berlin, nuclear tests and disarmament.

Undoubtedly the central issue before the world today is the crisis in Berlin. At this moment in time it is impossible to state, I believe, what is going to happen there or, indeed, what our policies are going to be. We are in the hiatus period of diplomacy during

which study and consultation on the part of the government must inevitably be taking place.

The most alarming aspect of the Berlin crisis is the prospect of the western nations themselves losing their perspectives or our perspectives. We see constant evidence in the daily press and radio bulletins of skirmishes, for instance, between border guards in Berlin using tear gas and water hoses. There is much talk of crisis and a tendency to make ill-considered public statements. The crisis reaction is surely one that we must wish to avoid at all costs.

I wish to say to the Prime Minister (Mr. Diefenbaker) that I read with interest his speech to the Canadian Bar Association in Winnipeg the other day. The Leader of the Opposition (Mr. Pearson) has already expressed himself in support of the general terms of that speech. In Canada we may have our differences in domestic policy; we may have our differences, and if they exist we should not hesitate to say so, in the field of foreign policy, but the Prime Minister and the government can be assured that the general lines of that speech were expressed in terms to which we give concurrence. That does not mean to say that an exposition of particular details may not elicit a reaction different from that which I have stated on the points which will be exposed, but as to the general direction given by the Prime Minister I think it is important that in this parliament we should let the Soviet union, or anyone else interested, know that there is a much wider measure of unity in our country than those who are ideologically opposed to us sometimes suggest. While the inevitable penalty in the free world is that there are differences of opinion, it would be a mistake for the Soviet union to conclude that on essential and basic points there was not the widest measure of agreement, an agreement that would express itself, I am sure, in support of the general terms of the statement which President Kennedy made when he spoke the other day to his people and to the world on the attitude taken by the United States with regard to this matter.

I suggest that our perspective must be that Berlin is only one aspect of a much larger and all-inclusive cold war. Once again the Soviet union has struck us at a weak point. The Soviet union's over-all cold war strategy is to feel us out, to move from one vulnerable position to the next—Korea, the Middle East, the islands off China, Africa—and the immediate issue is the thing that catches the headlines while the over-all battle is pushed aside. I have encountered some of our own fellow countrymen who quite honestly refuse to concede that the cold war today is just as much an active battle as has ever been fought in the history of man. It is incumbent on us, particularly members of the government with their access more readily and more quickly to exchanges especially with friendly countries, not to become transfixed by panic over the immediate crisis but rather to keep our minds and our over-all strategy on the larger problem facing us.

It is ironic that the perspective on the cold war leads us back to Germany in April of 1945 where advancing units of the American and Russian armies met on the banks of the Elbe near the town of Torgau. This symbolic event has marked the supreme condition of contemporary history ever since. That division of Germany and Europe into Russian and American spheres of influence provided the genesis of the cold war. And so the cold war which began in Germany some 16 years ago out of the results of the second world war now reaches its greatest crisis in that same country.

Whatever the motives of Chairman Khrushchev are I do not know. Perhaps his major aim is a clear acknowledgment from the west of the communist power in the heart of Europe. Certainly he wants recognition of East Germany with full diplomatic status. It is suggested, he wants to make the west back down and retract its words about defending freedom. He wants one more pressure point in the over-all cold war. He wants to test public opinion in the west and to fly a kite because of the increasing sentiment in the west on the part of some who are more and more reluctant to risk a war. In other words, he is perhaps testing our courage. As the Secretary of State for External Affairs said, he wishes perhaps to stop the embarrassing flow of refugees from East Germany. Some three and a half million people have fled from East Germany since 1949. This represents almost 15 per cent of its population. Ironically enough, as the stream of refugees grew to larger numbers prior to August 13 the tension actually increased in that their numbers increased the embarrassment of the Soviet union. With the latter's tremendous weapon of propaganda they cannot afford to be greatly embarrassed in this manner and we should not be surprised that they are provoked to extreme measures to arrest or mitigate their embarrassment.

It may be that there is a power struggle going on in the Soviet union. It may be that Mr. Khrushchev has his problems at home. It may be that there are great influences behind him originating in the so-called People's Republic of China. Whatever may be the reason, the undoubted fact is that we are face to face with a serious situation, one that

calls for the greatest tact and care and display of responsible firmness, if we are going to avoid the cataclysmic consequences of the most terrible experience ever to confront mankind. That is the one thing we have to keep in mind, the consequences to mankind of a world that will be at least partially destroyed and whose civilization would be seriously affected by the consequences that would flow as the result of a nuclear conflict. We in the west must never forget the one, paramount, overriding factor in this day of psychological cold war; that is, that we must never have a nuclear war if that can possibly be avoided. We must think of the innocent men and women of the world who have nothing to do with the formulation of policy. We must think of those who are in no way responsible for this situation except by virtue of their being human beings. We must think of our young people and of the tests they are making of our capacity to resolve this problem. We must also think of the statements they make from time to time that we, an older generation, have made a mess which perhaps only they can correct.

All of this we must bear in mind. Yet at the same time, because of what inevitably confronts us, we cannot fail to recognize that there is a great cleavage between a world that enjoys freedom and a world based upon totalitarian power that denies freedom. This is the terrible dilemma into which we have been placed. Our moral heritage forbids us from starting a nuclear war, yet the side in this historical struggle between tyranny and freedom which first enunciates the abandonment of nuclear war as a basis for diplomatic policy must lose the struggle. This is a central axiom, because if one side eliminates the possibility of nuclear war—and this is the dilemma as I see it—it would be sufficient for the adversary simply to menace severely enough with the threat of nuclear destruction so as to force a negotiated capitulation. We must be prepared, I agree, to go to the limit on issues within the cold war. We must be prepared to do the ultimate concerning Berlin in order to prevent a war over Berlin.

I do not know what President Kennedy told Premier Khrushchev of the Soviet union in Vienna but when the president was making that important journey to visit Khrushchev I did think that he may have sought to establish in the mind of Khrushchev the ultimate intentions of the United States so that there could be no suggestion in history later on, if there is going to be any history, that the Soviet union was not properly warned by its main adversary; and so that no one could say in this period that Russia had been ill-advised, as some historians suggest Hitler had been ill-advised, as to the course the United Kingdom proposed to take in regard to the events that led to the second world war.

The Prime Minister spoke of negotiation in his speech as did President Kennedy in his. I recall the statement made by the Prime Minister in this house before adjournment to the effect that while there could not be negotiations on certain matters and no compromise on essentials, there was an area for compromise and negotiation. I cannot help thinking that while that is undoubtedly the correct position to take, Chancellor Adenauer had views at the time which suggested that compromise was out of the question. Negotiations so far, and understandably because of their very nature, have been fuzzy and not fully defined, partially I readily admit at once because, as the Prime Minister said, to reveal negotiations would freeze our diplomacy, and partially because we are unclear sometimes and perhaps at the moment as to what is actually negotiable.

But let us clear up one fundamental point; that negotiation assumes an attitude on both sides at least genuinely to want to seek the possibility of a solution. If one side has no intention of seeking a solution but is only sitting back waiting for opportunities to make propaganda assaults and to play among the divisions of the western nations, then there is manifestly no certainty of the effectiveness of that kind of negotiation.

I believe personally there is much evidence to suggest that the Soviet union has now no intention of seeking final solutions so we must never allow ourselves, as I see it, to be duped by prospects of grand conferences to resolve all our problems. We have as a precedent the ill fated summit meeting of May 1960. I do not mean by this that we should refuse to have conferences. I do not mean that the President of the United States should have necessarily refused to meet Premier Khrushchev. That is not what I am saying. I am pointing out that we now must surely have behind us sufficient evidence to realize there is no solution to the vital problems of our time merely by conference. But we must always assume that there are grounds for negotiation.

What is negotiable, then? First of all let us clearly state what is not negotiable. Not negotiable, I believe, is the freedom of one single free individual in West Berlin. Not negotiable is one square yard of free men's land in West Berlin. In the field of diplomatic negotiations I support the policies of the government as generally stated. I believe this government in turn, particularly on the basis of the statement made by the Prime Minister,

will support our alliance. We will not allow the Soviet union any opportunity of exploiting splits in our ranks because, as I see it, on fundamentals there is no split.

The question of Berlin does not arise in its present context for the first time. We will remember that in November 1958 Premier Khrushchev said that the time had come when there should be a withdrawal from Berlin and that there should be created in that city a demilitarized free zone. We recall too the announcement of Premier Khrushchev at that time that there would be a treaty signed by the Soviet union with East Germany. He called for recognition of East Germany by all nations and particularly the four occupying powers.

Canada has an interest in this matter, although we do not sit in the front seat at the bargaining table, which is not our opposition. Nevertheless we have as vital an interest in this question of Berlin and its consequences as has the United States, Great Britain, France or the Soviet union (a) as a nation among the nations of the world and (b) because of our own legal commitment in regard to situations that could eventuate in modern day Germany.

It must not be forgotten in this context that on October 2, 1954, at London, the western powers of NATO which had met to lay plans for the termination of the occupation of the Federal Republic of Germany and for its incorporation as a state in NATO issued the following declaration, one which will be familiar to the Leader of the Opposition. That declaration is in these terms:

> The security and welfare of Berlin and the maintenance of the position of the three powers there are regarded by the three powers as essential elements to the peace of the free world in the present international situation. Accordingly, they will maintain armed forces within the territory of Berlin as long as their responsibilities require it. They therefore re-affirm that they will treat any attack against Berlin from any quarter as an attack upon their forces and themselves.

On October 23, 1954 Canada and the other NATO members associated themselves with this declaration. Therefore, I say the Canadians, as well as the people of the United States and others, have a stake in the problem of Germany and Berlin. In addition, we have an obligation which arises out of article 6 of the North Atlantic treaty, and which states that an armed attack on the occupation forces in Europe of any party to the treaty constitutes an attack against all parties.

Therefore, we have a vital interest in what happens there, apart altogether from the fact that we are a nation of human beings existing in this very turbulent period of world history.

[Mr. Martin (Essex East).]

In 1959, the Canadian government was confronted with the situation that had been created by the ultimatum given by Chairman Khrushchev in November, 1958. There was a NATO conference in 1959, at which time Canada was represented by the then minister of national defence, General Pearkes. I believe that at that time General Pearkes made a very useful contribution to the solution of that problem. He was commended on his view by the Leader of the Opposition when he spoke in the house some weeks later. We do not know whether at the present time the government has sought to relate to the present situation some of the proposals made at that time by its spokesman in Washington. At any rate, I have seen no public reference to them. I think it might be worthwhile now to recall what were some of the positions taken and proposals made by Canada at that time with regard to a situation which in principle is exactly what we are now confronted with although unaccompanied then by the intensity that characterizes the present situation.

The Deputy Chairman: Order. I must inform the hon. member that his time has expired. Does the committee give unanimous consent for him to continue?

Some hon. Members: Agreed.

Mr. Martin (Essex East): I thank the committee. The Canadian representative suggested methods by which the United Nations might provide the framework for any agreements in Berlin. The Prime Minister and the Leader of the Opposition in commenting on the current situation have sought to emphasize the desirability of a potential role for the United Nations in this situation. First of all it is proposed that the basic role of the United Nations might be to verify that all parties were abiding by the terms of the agreement.

Mr. Diefenbaker: Whom is the hon. member quoting?

Mr. Martin (Essex East): These are my interpretations of the position taken by General Pearkes on behalf of Canada at Washington in 1959.

Mr. Diefenbaker: General Pearkes' representative?

Mr. Martin (Essex East): No, by himself. These are the statements he himself made at the council. It was argued that the essential part of any such agreement would be a Soviet pledge binding itself and its associates to permit full freedom of access to West Berlin and the acceptance of a United Nations presence on the lines of communication.

Then, General Pearkes also pointed out that it should be understood that any United Nations responsibility for West Berlin would be complementary to the present rights and obligations of the four occupying powers. These views stated by General Pearkes correspond in some particulars with proposals made on February 12, 1959, by Senator Mansfield. I do not propose to go into Senator Mansfield's proposals. One or two may not be acceptable, but I believe that some of them deserve the careful study of those whose immediate responsibility it is, as members of a government, to find some solution to this difficult situation.

What I have said is all I have to say now about Germany and Berlin. Along with the government, I recognize the seriousness of this situation. I recognize the understandable irritation that all free people of the world must have with the constant succession of events which seem to indicate the success of Soviet union diplomacy. It is no wonder that one hears it being said constantly, when are we going to stop this continuous advancement of the Soviet union. That is understandable when we have to face into this situation. The Soviet union cannot be allowed to go on endlessly interfering with other countries and other people in their determination to see that their philosophy becomes the dominant philosophy and the dominant form of human society.

While this is so, at the same time we have to think of the consequences of actions which would provoke a world nuclear war. It is the balance between that situation and the present one that presents us with the serious problem which confronts us at the moment. The Secretary of State for External Affairs characterized the announcement—it was not by the Soviet union but by the United States itself—of an explosion of a nuclear bomb by the Soviet union as a most tragic situation coming, as it did, before a formal break-up of the Geneva test talks, certainly after some 300 meetings, thus giving the lie to the Soviet union, in the attempt to try to get an agreement on a matter which if successful might have led to the possibilities of a comprehensive agreement on disarmament in conventional and nuclear weapons. It may be that the announcement to commence testing by the Soviet union is intimately related to the Berlin crisis. It may be part of the Soviet union's over-all scheme to create a crisis atmosphere among western public opinion that would force our governments into a move which would bargain away rights and make concessions. I do not believe the Soviet union has been successful in this. Certainly it has aroused even some of the most neutral among the neutral nations.

The Secretary of State for External Affairs referred to the statements of Mr. Nehru and President Nasser, and of course there are statements of other leaders indicating their grave concern with that decision of the Soviet union. But we ourselves cannot escape a responsibility in these matters. The declared position of the Canadian government today as on other occasions during the past twelve months is that we are in favour of a ban on nuclear weapon tests with or without controls. That position of the Canadian government was reiterated today, but I would point out that it is not the position of the government of the United States. Undoubtedly the government of the United States has done everything within its power to arrive at an agreement, but they are in favour of a test with controls above and under the ground.

We are all agreed with regard to the criticism of and the indictment that has been levelled against the Soviet union for the initiative it took in exploding a nuclear bomb in Asia. It is now suggested that possibly another will be exploded in the Arctic. But I should like to know what step the Canadian government has taken to indicate, in the ways that are open, through diplomatic techniques and other methods, our deep displeasure first of all with the Soviet union. That, of course, was done by the Prime Minister in his speech. If I recall correctly—I may be wrong in this—the Prime Minister said that no other form of opposition or complaint had been registered. He may conclude it would be useless. In any event, I hope that at the United Nations we will take our place and indicate to the Soviet union its responsibility not only for the failure of the test talks but for the further regression of progress in the matter of disarmament. But have we intimated to the United States our regret that they found it necessary to carry on tests, even though there is provision for an absence of radioactive consequences because the tests are to take place in the laboratory and underground?

Our position, as stated today, is that we are against tests. While the minister did not say whether or not we are against tests with or without control, we are against tests. I presume the minister was stating the situation as he believes it to be and as he understands government policy. However, if I read correctly the speeches made by the Minister of National Defence, I find a different emphasis. It could be that this emphasis is misunderstood. I have read particularly the speech made by the minister in Toronto the other day. I find it difficult to reconcile the statements made by both ministers with regard to this matter. The Secretary of State for External Affairs said he understood the attitude of the United States is being forced

into carrying on these tests as the result of the initiative taken by the Soviet union. I find in that statement a contradiction of what is said to be government policy with regard to a test ban in which the Secretary of State for External Affairs believes.

The Secretary of State for External Affairs did not carry on with the corollary to this problem of banning all tests. No indication was given of the position of the Canadian government with regard to nuclear weapons in Canada. Our position as stated by the Leader of the Opposition is clear. At the present time we do not believe this country should accept nuclear weapons in Canada. What the situation in the future will be will have to be determined by events. It is not because we do not want to see our forces in Canada equipped in the most efficient manner, but because we realize the danger of the diffusion of nuclear weapons. When we think of the situation that now confronts us in Berlin, and assume that that situation passes over without the holocaust that could ensue, our minds should be directed to what could happen if there were more than four powers in possession and control of nuclear weapons.

I note in passing that the statement made by the Leader of the Opposition with regard to nuclear weapons in Canada is to be read with the statement he made on August 5, 1960, which can be found on page 7607 of *Hansard* of that date. He said:

> If, for instance, the United States needs, and if it can satisfy us that the need is justified, certain facilities on Canadian soil, and if we cannot or do not desire for reasons which seem good to us to ourselves provide these facilities and the services that go with them, then I do not think we should refuse to make the necessary political agreement with our neighbour, as has been done in the United Kingdom. But they should be in clear terms which will always recognize our own sovereign right of ultimate control.
>
> If such an agreement were to extend to the use of air bases in Canada, as is the case in the United Kingdom, although the agreement there is under reconsideration at the present time, I suggest that any such agreement for the use of Canadian bases, and I think this is important, should only be on the condition that we have complete information about every United States flight from every such Canadian base, and that we have a veto over every such flight off that base if we consider it necessary on policy grounds.

Now, Mr. Chairman, the minister mentioned NATO. We must recognize that the weaknesses of the United Nations in terms of its powers of sanction have created a necessity for the freedom loving nations to be bound together in a defensive alliance. Canada had much to do with the establishment of that alliance. This alliance is not perfect, and certainly it does not satisfy us in so far as the pursuit of economic objectives is concerned. We might well contemplate, however, what would have been the situation in the world, in the light of present events, if there were no NATO. I strongly support the position of the Secretary of State for External Affairs with regard to the maximum amount of unity we must have in NATO. I support him with regard to the proposed constitutional arrangement of executive power by four or three of the nations. There must be equality of authority in NATO. I fully subscribe to that view as expressed by the Secretary of State for External Affairs.

I think we ought to make it clear in the interests of the peace of the world and of the interests of our own security, that we recognize NATO as an essential defensive alliance against agression. There is no condition, and there must be no condition as we see it in this party, to our membership in NATO. Strong political opinion on a very high level in this country was expressed during the course of the summer months as to the kind of condition which should be imposed on NATO if Canadian membership in that organization is to continue. I noticed that a political group that met in this city after the Social Credit party had its annual convention said, *inter alia*:

> The New Party believes that the extension of nuclear weapons to any further states and alliances threatens disaster to the world. It therefore opposes Canada's troops being supplied with such weapons at home or abroad. At present, except for those nations which have independently developed atomic capacities, neither NATO itself nor its members individually possess or control nuclear warheads. Should they do so, Canada must make it clear that it cannot remain in the alliance.

Well, Mr. Chairman, I take issue with that statement. This statement would be an invitation to the Soviet union to recognize the possibility of NATO becoming disorganized and seriously disunited. There can be no condition attached to the alliance in the face of the present situation that confronts us. I make this statement because I believe, while we must do everything we can to avoid war—I have indicated I believe this strongly and I hope sincerely—we must recognize that perhaps the most effective way of avoiding it is by displaying a measure of common strength, a measure of common strength that has been forced upon us by the aggressive intentions and initiatives taken by the Soviet union.

I should like to summarize my views as to what should be our attitudes with regard to the current situation. First, there should be complete realization of the totality of the Soviet challenge and the retention of power perspective; second, absolute firmness in our

declarations of principle and support of freedom; third, to exhibit a mature attitude that is not deliberately provocative and so create tensions which work amongst themselves to produce crises; fourth, the necessity of absolute realism in the terrifying psychology of the cold war. The United Nations must be given an opportunity of increasing service. Its present relative weakness is demonstrated by the secondary position it is taking in these great events that are confronting us. It is playing no direct role in some of the events, particularly those in Germany. We look for an opportunity whereby the United Nations will be given a chance to play a significant role, perhaps as a means of guaranteeing the right of access to West Berlin. I would hope that the Secretary of State for External Affairs would be prepared to anticipate and meet the kind of attack on the United Nations made last year by Chairman Khrushchev. Such an attack, if it succeeded, would destroy the United Nations as it was envisioned at San Francisco in 1946. It is possible that the Soviet union intends to destroy the United Nations because that body has not served its purposes. One might as well argue that certain nations opposed to the Soviet union might take a similar position if they find that the United Nations does not serve their immediate purposes. What we must do is to see to it that we do not lose the opportunity that has been built up of creating a vast reservoir of knowledge and experience in the existing United Nations. The Soviet union wants to destroy the United Nations as it now is. That is its policy. As was stated by Hamilton Fish Armstrong in a recent number of *Foreign Affairs*, in a brilliant and valuable contribution, we ourselves no matter what the sacrifice must be prepared to see that the United Nations is carried on.

I have spoken longer perhaps than I should have or intended. Undoubtedly in what I have said I have reflected the difficulty we all have in our desire to avoid nuclear war. It is only by a display of strength, responsibly asserted, that we will in the present scene avoid a nuclear conflict. I am sure that is now the case. War will not serve the cause of the Soviet union. It will not add to the might of the United States. It would simply destroy the effectiveness and richness of man himself and his institutions. This we must avoid. However, we are not going to avoid war by refusing to face up to our responsibilities. We must use the instruments, the only instruments, which we as finite beings know, to provide an effective guarantee against war. We shall not be respected by the Soviet union by being weak. Because of the present armed position of the Soviet union we must be in a position to negotiate from strength. In my judgment only such a position will guarantee what so many people in the world, with the best of intentions, have in mind when they say that we must be prepared to resort to any device in order to avoid the possibility of conflict. Of course we must resort to any device. However, let us do it in a manner that protects the fundamental character of our society, the fundamental principles that govern, in the attempt to safeguard human dignity and preserve peace.

Canada has a responsibility in this matter. We do not sit in the front row at the bargaining table. However, whenever publicly or privately these important discussions are taking place, this government has the responsibility of making sure that the position of Canada is fully known, and that we exert on the Soviet union and others the kind of pressure of public opinion which undoubtedly in the final analysis may prove to be one of the effective means of persuading those responsible for this situation that nothing is to be gained by conflict.

It is in this spirit and with this great concern over this problem that I ask the government to exert its best efforts to bring forward all the sources available to it, and that it consult with every available body in our country. The Leader of the Opposition is perhaps not going to like what I am about to say but I feel that in a situation like this, Canada's role could be an extremely important one. I noticed yesterday that the Prime Minister had a talk with the Leader of the Opposition. There is no man in our country who has greater experience in these matters than has the Leader of the Opposition. The urgency of this situation is such that I make a suggestion and this I do without collaboration, and perhaps in doing so I run the risk of occasioning his displeasure. If the situation is as serious as has been suggested by the Secretary of State for External Affairs and by the Prime Minister in Winnipeg, this is no time for irresponsible party division. This is a moment in which to take advantage of every available bit of advice that can be given. With his background and his experience, I know of no one who can give more valuable advice in these matters than can the Leader of the Opposition. In this spirit I hope it will be possible for us to contribute to an era of peace and not one of continuing turbulence.

Mr. Herridge: As usual, Mr. Chairman, I am sure the whole committee listened with

interest to the statement made by the Secretary of State for External Affairs. I am sure it is quite correct to say that he always has the good will and the best wishes of the house in all he tries to undertake in his extremely important office. We in Canada are rather fortunate in the members who have held this office. The previous secretary of state for external affairs was concerned in something that we all hope will develop into a reality in every sense of the word in the days to come and that was when he proposed the emergency force in the Middle East. We in this group hope that force grows into a world police force in the very near future instead of the regional and other pacts that exist at the present time.

The minister said that Canada's role was to do all it could to lessen world tensions. Indeed if I heard him correctly, he made some reference to a remark made by one of the Soviet delegates in a recent conference he attended and which indicated they recognize the fact that Canadians are peaceful people and that our policies are based on our desire for peace. I did not catch the exact words.

Before proceeding I also wish to express our appreciation of the excellent work done by the senior and other officials of the minister's staff. The more one meets representatives of other nations and has an opportunity to talk to them, the more he realizes that we are fortunate in having as our representatives sincere persons working under very ticklish conditions at the present time.

The Secretary of State for External Affairs usually visits his home constituency for a bit of a summer holiday. As a matter of fact his mother is a constituent of mine and he visited there as usual this summer. I always look in the newspapers the next day to read what he had to say. It is reported rather more fully in the Nelson daily *News* than it would be, say, in the *Globe and Mail* because he is welcomed as the home town boy who has made good. We recognize that fact.

I read with great interest the speech the minister made in Kaslo on August 13 as reported in the Nelson daily *News* of August 14. It was a very good speech on the whole, but I must make some reservations. The minister had this to say, in part:

> "There is a great opportunity for our nation. Canada can make a great contribution to mankind as a whole. It all comes back to the individual. In the final analysis every nation can only be as strong as the people in that nation. Whether it be in the Kootenays, at Vancouver, or in the maritimes, the Canadian people, 18 million strong, have an opportunity to serve mankind. It rests with every individual Canadian."

What I like about those comments is that the minister recognizes the value of the individual and the importance of public opinion in the country. He also recognizes the importance of Canadians as individuals as well as governments accepting responsibility in these serious times.

The minister had something to say about nuclear tests. He mentioned that France was the first nation to disappoint the hopes of other nations in the world by insisting on some mole-eyed nuclear tests, as I understand it.

The Soviet union has undertaken nuclear tests in recent weeks. I can say that the members of this group were dismayed at this decision on the part of the Soviet union, particularly after the years of effort by numerous sincere people representing various countries at the many meetings which have been held. We trust this is only a passing phase and is sort of an ebullient exhibition and irritation that can be modified, and a policy that can be changed as the result of continued negotiations and discussions.

We were very pleased to hear the minister place his faith in continued negotiations regardless of the frustrations rather than in belligerent statements and policies. We were also disappointed—as I think were the hon. members of the official opposition—with the United States decision to commence underground tests in the meantime, as I think was stated in the newspapers, prior to the deadline set by President Kennedy with respect to a reply from Mr. Khrushchev. We think this was an unfortunate mistake and, like the hon. member for Essex East who has just resumed his seat, we should like to hear what the government is doing to indicate, I think it is safe to say, general Canadian disappointment and displeasure at the announcement of the United States to proceed with underground nuclear tests. We think the United States would have been in a much stronger position if they had refrained from this action at the present time.

We believe we have to be pretty cool and objective. That is one thing I like about the Secretary of State for External Affairs, as I did about the previous secretary of state for external affairs. We have been very fortunate in that respect. We have had level-headed, moderate-minded people who do not blow off steam in any critical situation. This is very necessary in the world today. We believe we must take a very cool and objective approach to these questions.

The minister mentioned the opinions of people and the responsibility of individuals. I like to find out what people are thinking. I had the opportunity to travel around the Kootenays during the recess. This was somewhat limited by my prior attendance at a

recent convention to which the hon. member for Essex East referred and to which I shall refer later.

On one occasion I had the opportunity to address a picnic which over 600 people attended. These people were members of the C.C.F. party and some of them were former members of both the Progressive Conservative and Liberal parties. They seemed to enjoy themselves and seemed to be moving in a progressive direction. I had the opportunity to talk with many of these people and find out what was their approach. I can say that people's attention is directed to what this government does under these circumstances and to what we all do in this House of Commons.

I was very pleased to note their interest. I noticed it came from quarters and from persons who in the past were rather given to taking things for granted. To indicate the attitude of the people I met—and I spoke to dozens and dozens—I can say there is a general feeling in the country that to consider war over the Berlin issue would be tragic and most unfortunate. That is not only the opinion of the people; it is the opinion of a good section of the press of this country.

To indicate this I wish to read from a few editorials. I read first from the Vancouver *Sun* of August 19. The editorial is headed "Myths" and states:

> It is time to expose the myths that surround the Berlin question, myths that could plunge the world into a final war.
>
> Prime Minister Diefenbaker might have taken on the unpleasant task of exposing them this week. Instead he devoted his oratorical skill to declaring that the Berlin crisis is forging allied strength and NATO unity to the toughness and temper of Damascus steel.
>
> This in itself is perilously close to myth. Unity alone does not constitute strength. Chickens huddle together when a hawk passes overhead. As for NATO's strength, it is obviously lacking in Berlin. Our position is dangerously exposed. Strategically, the city is practically indefensible.
>
> There has been too much talk of unity and strength in recent weeks, too little critical appraisal of the western position on the German question. There have been practically no imaginative or constructive moves by western diplomats.
>
> The central myth, on which others feed and grow, is that the reunification of Germany is a foundation stone of western policy. This myth should be clearly labelled "Made in west Germany".

We agree with that statement. The editorial continues.

> To our knowledge, no western leader since Anthony Eden has suggested realistic terms for this reunification.
>
> A unified Germany would be powerful and pro-western. Russia knows this and fears it, and with reason. She was one nation which suffered most from the savagery of German invasion.
>
> For that matter, is there a unanimous western desire for a reunified Germany? Do nations of west Europe which have suffered German invasion twice in this century wholeheartedly hope for a new and mightier Germany to rise in Europe's centre?
>
> Western diplomacy can only advance from realism. And the cold truth is that the boundary of the Russian empire will be fixed at the centre of old Germany for the foreseeable future. (Barring an agreement for mutual disengagement of the two main antagonists,—

Which we hope will take place in the not too distant future:

> —leaving a single but neutralized Germany at Europe's centre).
>
> It is no less realistic that we should recognize the fiction of an independent east German state than that we should recognize the Hungarian, Polish and other governments of territories now held by the Russian empire. We may not recognize the east German regime's right to control their regions. But there is ample precedent for recognizing the Pankow clique as the *de facto* government.
>
> Sometime, soon we hope, some western leader will recall Washington and Bonn from the dream which they now seem to share of extending the boundary of the western camp to the Polish border.

Recent statements of German statesmen have indicated this is a final objective of some of the persons in power in West Germany. The editorial continues:

> Why not a Canadian voice?
>
> Andrei Gromyko, when he was Russian ambassador to the U.N., once remarked that the Canadian delegation frequently said what other people were only thinking.
>
> Perhaps this is the time for Canadian diplomacy to again adopt this role.

We agree with the concluding paragraph of that editorial. We believe there is an opportunity for the Canadian government to take a stronger position than it has in the past in this connection. I wish to make a very brief reference to *Maclean's* magazine. These editorials reflect a very widespread opinion amongst Canadians, as I can tell from conversations. This editorial is to be found in *Maclean's* magazine of August 26, 1961. It is entitled "Berlin. The Crisis that Propaganda Built" and states:

> Canadians don't normally think of themselves as subject to propaganda. That happens to the Russians and the Chinese, the Arabs under Nasser or the Germans under Hitler, not to citizens of a democracy served by a free press. Yet the fact is that we are, right now, targets of a propaganda campaign for which it's hard to find a precedent in peacetime. Its object is to make us believe in a crisis over Berlin.
>
> For weeks the reports of United States news services have been alterting us to the imminence of a showdown. The western powers are said to be wanting Khrushchev to "keep hands off West Berlin". In the face of "threats" by Khrushchev the west is "standing firm", set to "defend" West Berlin with nuclear weapons if need be.

The editorial continues in a similar vein. I am not going to take the time of the house to read it all. It is quite critical of, shall I say, the almost hysterical approach to this question which one sees if one reads the United States press and which has been reflected to some extent in the Canadian press. If you read the press of the United Kingdom

and the press of western Europe you see an entirely different approach to this situation.

We are not underestimating the seriousness of the situation but we do think there has been an attempt to put the thing in the wrong perspective as far as United States citizens are concerned. We think that again the Canadian government can play a very important role here. It has done some good things in the past and in recent days. It has taken very sound action on certain matters when we were not in entire agreement with our friends to the south but which actions have been welcomed by other governments in the commonwealth and other governments in the world generally.

I should like to read now from an editorial written by the publicity director of the Progressive Conservative association of Kootenay West. The minister knows this gentleman quite well indeed. I usually differ with him quite violently on many things. I wish to read the editorial because in walking down the main street of Trail I was amazed to meet people who disagree with this gentleman on most things but who had read this editorial and who said to me, "Here is one thing he said that was right". I suppose I spoke to a hundred people when I was in Trail who made the same comment about this editorial. I am reading it simply to indicate the state of mind of many Canadians under these circumstances. This is what the publicity director of the Progressive Conservative association of Kootenay West had to say, and surely the minister will accept this:

> Let's watch the Germans. It is astonishing with what willingness these West Germans are prepared to place our necks on the block in order that their own comfortable and prosperous way of life may proceed undisturbed.
>
> The nerve of these people is something to behold. Twenty years ago, they were perpetrating upon humankind atrocities the like of which had never been seen before. Anything the Russians may have done has been kid stuff by comparison.
>
> These indignant Germans plunged the world into two major wars which have brought democracy as we understand it to the brink of extinction. Now they have the gall to liken President Kennedy, in his reluctance to engage in an all-out shooting war over Berlin, to Chamberlain. They even sent Kennedy a symbolic Chamberlain umbrella. The fact that Chamberlain, in his apparent weakness, gained for the allies a couple of invaluable years in which to organize some sort of defence against Germany seems to escape them entirely.
>
> In any event, we are quite capable of assessing the significance of current events in Berlin and East Germany without any assistance from the West Germans. As far as we are concerned the West Germans should be invited to button up and right quickly. If we are going to fight the Russians, it will be over something of considerably more consequence to the world than what happens to the West Germans.
>
> As a matter of fact, there does not appear to us to be any particular issue shaping up in Berlin. Khrushchev has already undertaken that our access to West Berlin is not to be blocked, that our "lawful rights" to be in Berlin at all are to be safeguarded.
>
> It would be a tragedy if we were now to fall for the guff being peddled by a group of West German malcontents and conspirators who, by virtue of an altogether undeserved measure of allied Christian charity, have prospered so well since 1945.
>
> Probably we should pull out of Germany altogether and leave the Germans to sort out their own reunification problems. If we did, they would probably start shooting one another the day after. That, however, would be better than sacrificing Canadian lives in a fruitless struggle with the Russians over one miserable Teuton city.

As I say, I differ with the writer on many things but I recognize that we have certain responsibilities. I have read this editorial in order to indicate what a prominent Conservative in my own constituency is thinking and to point out that many people have said to me, "I differ with that man on most things but on this matter he was correct". I do so to indicate a frame of mind which must be recognized. Then we have the view expressed by the chairman of the B.C. power commission, Dr. Keenleyside, who was a deputy minister under the Liberal administration at the same time as the Leader of the Opposition was under-secretary of state for external affairs. I read the following from the Nelson daily *News* of August 28, last:

> Dr. Keenleyside, who formerly headed the Canadian committee for control of radiation hazards, said, "risking war over the issue of West Berlin is the final evidence of the bankruptcy of our diplomatic policy."
>
> He added that the west must agree to the permanent division of Germany and grant full recognition to East Germany in a compromise agreement with Soviet Premier Khrushchev. It was obvious that Russia would never agree to German unification when that could mean Germany would be in NATO and armed with nuclear weapons.
>
> "If the U.S. goes into hysterics over a semi-communist Cuba why should we expect the Russians to agree to the build-up of an infinitely worse threat from a united enemy?"
>
> Dr. Keenleyside said the west was in "an impossible situation" in Berlin and would have to abandon it sooner or later.

That is Dr. Keenleyside, chairman of the B.C. power commission. Although I do not have them here, the Hon. James Sinclair, a member of the former Liberal cabinet, has also made some very strong statements very much after the fashion of Dr. Keenleyside. In fact, he has indicated that in his opinion it would be complete foolishness for the western world to embark upon a war over the situation that exists in West Berlin. I have mentioned these press items and my conversations with various people to indicate that people are taking an interest in the situation. They are supporting the government in all it can do to prevent anything so tragic and unfortunate as war over an issue which these people are not prepared to admit is a sound one.

The nuclear bomb has made war a monstrous absurdity. Yet some leaders of the west are talking and acting as if the Berlin crisis may have to be settled in the last resort by war. If the Berlin crisis is settled by war, it will certainly be settled for all time, for there will not be a Berliner left alive over whom another crisis could develop. Nor, for that matter, will there be very many Canadians still living to pass on to the blighted generations to come the story of man's supreme folly.

Over 16 years have passed since we helped to end one of the most vicious tyrannies the world has ever known. Let us never forget that Nazi Germany started the second world war and brought total defeat upon itself. We have friends in Germany today, good friends, men who fought the Nazi tyranny with the means at their disposal quite as wholeheartedly as we did under the circumstances that existed at that time. Yet the fact remains and must remain that in our opinion we have no cause in logic, friendship or honour, to go to war now in a futile and suicidal attempt to end the unhappy division of Germany and Berlin.

We have small reason to respect East Germany's communist regime, that shard satellite, more remarkable by its refugees, to whom the minister made reference, than anything else. Yet this regime exists and the more NATO seeks to perpetuate the unnatural state of affairs created in Germany by the second world war the less chance is there of the East German state evolving to a more democratic form of government.

Mr. Khrushchev has stated that unless the western powers agree to an over-all German peace treaty the U.S.S.R. will sign a separate peace treaty with the East German state by the end of this year. At that time Russian supervision over western access to West Berlin will pass to the East German government. Mr. Khrushchev goes on to stress in his statement that the communists have no intention of interfering with western rights in West Berlin or access thereto. Yet over this a tremendous crisis has sprung up. The Americans order a partial mobilization and vote $3 billion for what is still called defence even when there is no real defence in the thermonuclear age. Dr. Adenauer talks as if his nation had been on the side of freedom for generations. Just this week, September 5, General de Gaulle speaks of war over Berlin as if victory there could be bought as easily as at Bizerte.

In the opinion of this group Canada should immediately take the lead in pressing the western powers to conclude a peace treaty with both Germanys. Such a treaty must include ironclad safeguards for the freedom of West Berliners. Such a treaty would necessarily accept the present division of Germany and Berlin and would imply recognition of the East German state.

In this connection we do not underestimate the difficulties. We urge the government to give consideration to promoting the idea of bringing Berlin under the jurisdiction and control of the United Nations as one method of neutralizing this danger spot in western Europe. It is and will continue to be an area of danger.

If the situation continues to exist and the western nations are to face from time to time the danger of war arising from the situation, suggestions have been made that we should even offer to rebuild West Berlin in another portion of the German state. The millions that would cost would be trifling compared with the cost of war and the dangers that would continue to exist unless the United Nations can overcome the situation or make satisfactory treaty arrangements with both German states.

At the same time we urge the government to continue to work for disengagement in western Europe. This is the danger spot. Without doubt this is where the power is concentrated between east and west. We urge the government to give consideration to these proposals.

I wish now to say a word about NATO. With evident relish the hon. member for Essex East (Mr. Martin) was kind enough to place on the record in part the policy of the New Democratic party. We thank him for his interest and recognition of the fact that the policies and resolutions adopted by the New Democratic party are of concern to the party of which he is so distinguished a member.

Mr. Martin (Essex East): Of interest, not of concern.

Mr. Herridge: Yes, of interest. I wish to be exact in this respect. I shall read into the record the policy adopted in this respect by the New Democratic party convention. It was arrived at in a democratic manner. There were expressions of opinion and this was the final result:

> NATO has played its part in the maintenance of west European security. However, it has concentrated on a military role and has failed to adapt its policies to the growing importance of the economic and social front in the present world struggle. The New party believes that we should seek a reappraisal and change of NATO's policies and objectives.
>
> The New party believes that the extension of nuclear weapons to any further states and alliances threatens disaster to the world.

I think perhaps hon. members of the official opposition would agree with that portion of the resolution. I continue:

It therefore opposes Canada's troops being supplied with such weapons at home or abroad. At present, except for those nations which have independently developed atomic capacity, neither NATO itself nor its members individually possess or control nuclear warheads. Should they do so, Canada must make it clear that it cannot remain in the alliance. To relieve tensions, Canada should press for a demilitarized zone in central Europe and for the simultaneous disbandment of the Warsaw and NATO pacts.

I think there would be very little disagreement on that point. It is something for which we should stride more assiduously than we have in the past.

Mr. Deschatelets: Mr. Chairman, would my hon. friend permit a question?

Mr. Herridge: Surely.

Mr. Deschatelets: Would the hon. gentleman tell the committee if a vote was taken on this proposal and, if so, what was the division?

Mr. Herridge: Well, it was a matter of great interest but I was not able to opine the count on either side.

Mr. Martin (Essex East): Seven hundred to 800, I think.

An hon. Member: There were not that many people there.

Mr. Herridge: The hon. member for Essex East is better informed than members of the group who were present at the convention.

Mr. Drysdale: That would not be difficult.

Mr. Herridge: For the information of the committee there were approximately 1800 delegates present. I have never seen so many people remain seated and attentive as that group during the course of five very warm, humid and trying Ottawa days.

An hon. Member: They were trying, all right.

Mr. Herridge: Ours is a democratic movement. Every opportunity was provided for discussion. There was no division as to purpose or principle. Differences of opinion were expressed as to timing, interpretation, details and so on but these were all resolved at the convention.

Mr. Pearson: Such as in resolutions from the floor.

Mr. Hellyer: Which group do you belong to?

Mr. Herridge: A whisper from my left inquired as to what group I belong to. I was elected as a member of parliament representing the C.C.F. party. I am a C.C.F. member of parliament but at the same time a member of the national council of the New Democratic party. Does that explain the situation?

Mr. Hellyer: Has there been any change in your views?

Mr. Herridge: You see, we have nothing to hide. We do not have to do these things in hotel rooms. We conduct our affairs in the open. We are like the British Labour party. We have wide differences of opinion but it is amazing how we can close ranks when we have to face a common enemy.

An hon. Member: Where is the British Labour party now?

Mr. Herridge: We strongly oppose nuclear weapons of any type in Canada. In that respect the official opposition and members of this group are in agreement.

I was interested in the minister's reference to the commonwealth. I have a great affection for the commonwealth and great respect for the part it can play in the days ahead. I know that the minister shares my view in that respect. The commonwealth is increasing in membership as a result of more and more native states obtaining self-governing status and increasing in influence. We believe that Canada should play a stronger role in the commonwealth. Canada should do something along the line of what is being done by Mr. Nehru who, according to the press, is in Moscow, appealing to Premier Khrushchev with respect to the present dangerous world situation.

We believe Canada should take a stronger lead within the commonwealth and should promote peaceful policies at the present time. We should take a stronger and more independent stand but one that is co-operative in the sense that even if we disagree with our friends to the south, or others, we have the same purpose, the protection of freedom and the maintenance of peace.

The Deputy Chairman: Order. I am sorry to interrupt the hon. member but his time has expired. Does the committee give unanimous consent?

Some hon. Members: Agreed.

Mr. Herridge: I appreciate this courtesy. I am practically finished. I trust there will be an opportunity for another hon. member of our group to deal with the matters with which I may not have time to deal. I deeply appreciate the rapt attention which the hon. member for Okanagan Boundary (Mr. Pugh) is according my remarks. He has taken a seat close to me in order to listen to my remarks and I consider that a compliment.

We agree with the minister that the United Nations is the hope of mankind. We support the government in everything it undertakes to strengthen the influence, prestige and work

of the United Nations. There are those who detract but, as the minister said, imagine what might have happened in the Middle East or the Congo if there had been no United Nations. Those were difficult situations. It is easy to criticize when you have had no experience with situations of that type. I am of the opinion, as I am sure are all the members of this group, that if we did not have the United Nations we would have had the storm of war long before this. The United Nations has played a very effective role. We urge the government to continue to do everything it can to strengthen it and also to build up support for the principle of a United Nations police force so that gradually we shall be released from these regional pacts. In the United Nations we can have a police force to which we contribute for collective security whenever necessary.

I conclude at this point, Mr. Chairman. As I said before, I trust another member of our group will have a chance to deal with some matters that I have not had the opportunity to discuss.

Mr. Sevigny: Mr. Chairman, I wish to take advantage of this debate to report to the house some of the observations which I made during my recent trip to South America.

It was my privilege to represent Canada as an observer at the special meeting of the inter-American economic and social council at ministerial level which opened at the resort of Punta del Este in the republic of Uruguay, on August 5.

This meeting grouped together delegates of the countries of South America, Central and North America and observers from almost all the nations of the world. This conference was probably the most important event of its kind which has taken place in the history of Latin America and what was decided there may well be the turning point in the sociological, political and economical life of all Latin American countries. At long last, the Latin American countries have realized that they must unite in spirit if they wish to be strong. They appreciate that they must direct their cultural tendencies in the proper channels if they wish to survive. They face the fact of the necessity of increasing their respective productive facilities and their trade relationships if they wish to prosper. The leaders of these countries are particularly aware of the fact that some countries are faced with the choice either of moving forward through the application of the proven methods of democracy which will mean a better way of life and a better standard of living for all citizens or yet face the inevitable upsurge of communism in their midst with all its dire circumstances.

We arrived at Punta del Este on the first day of the conference and we were surprised to find the considerable unrest which animated the 1,500 or so delegates who were crowding all available accommodation in this beautiful resort. We did not know, of course, and we learned much to our amazement, that many political, cultural and business leaders were worried by the influence exercised on the thinking of a great many people by the Cuban actions of the last year and by the Cuban propaganda. There are many who were truly worried that the arguments which were expected to be put forth by the leader of the Cuban delegation might promote certain tendencies which could be disastrous to the necessary unity which is sought by the sound thinking people in the southern hemisphere.

It is most difficult for us in Canada to appreciate that a small island like Cuba, populated by 4 million people, more or less could exercise such an influence on a continent populated by more than 150 million people. But it must be remembered, in order to appreciate the situation, that there are in Central and South America many small nations which have had to live for decades through a series of disastrous revolutions, people who know the horror of famine, of extreme poverty and of economic chaos and confusion.

The people who have nothing are ready as always to throw themselves at the mercy of the first person who offers what may look like benefits or an improved situation. Many have been impressed by the Castro propaganda which claims the success of the revolution and which bluntly declares in the most deceitful fashion that Castroism has brought the golden age to the Cuban island. There are some who feel that what supposedly can be accomplished in Cuba can also be accomplished elsewhere under the merits of the Castro regime. Since the Castro propaganda is based almost entirely on a violent anti-United States campaign, it is rather obvious that if such a doctrine became successful, it could, to a certain extent, isolate Latin America from the North America which we know. It was, therefore, with anticipation and a certain apprehension that the delegates greeted Mr. Clarence Dillon, the Secretary of the Treasury of the United States, when he rose to make his initial address in the early stages of the conference. It was with much joy and relief that all heard the most generous offer of aid which was made to Latin America by the United States statesman. Even the most optimistic governments were stunned by the magnitude of the aid offered and greatly pleased by the attention which the United States government is giving to the Latin American area.

Will you call it six o'clock, Mr. Chairman?

The Deputy Chairman: Before I leave the chair, may I remind members of the committee that we resume our sittings at 7.30 p.m. this evening and not 8 p.m.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at 7.30 p.m.

Mr. Sevigny: Mr. Chairman, at six o'clock I had just mentioned that the members, delegates and observers who were at the conference at Punta del Este were stunned by the magnitude of the aid which was offered to Latin America by the United States. I should like to place before the committee a list of the main points of this aid which has been offered. They are as follows:

(a) an undertaking to commit aid on a long term basis by which it is hoped $20 billion of outside capital, public and private, can be injected into Latin American economies over a ten-year period. The target is to achieve an increase in real income of 2.5 per cent per person per year. The United States delegation was effective in giving other representatives the impression that an all-out effort would be made.

(b) recognition that aid must be supplemented by practical measures to raise the export earnings of recipient countries, including a lowering of United States trade barriers to the products of Latin America and a sympathetic approach to commodity agreements and measures for stabilization of prices of basic commodities. In particular, the United States undertook to participate in a workable coffee agreement to be negotiated in September.

(c) offer of a crash program for emergency aid to make an immediate impact in the areas where the social and political situation is most dangerous. Claims on this program must be presented within 60 days and the funds to be allocated are estimated to be in the neighbourhood of $300 million. This is a reflection of the argument clearly brought out in the conference that revolutionary turmoil threatens chiefly the smaller Latin American nations. The objective is to maintain political stability in these areas while long term projects get under way.

(d) concrete demonstrations of the acceptance of planning, a concept to which the United States delegation at the San Diego ECLA conference had earlier given official blessing. This implies more or less an acceptance of the strong possibility that national and multinational economic planning in Latin America often may not act to the advantage of existing United States commercial interests in this area.

The conference then endorsed the principle of co-ordination of national development plans and approved the appointment of a panel of planning experts to carry out this role and to assist in the formulation of national plans, in the acquisition of necessary financing from the inter-American development bank, the United States government and other sources. The planning group, although normally independent for administrative purposes is to come under the secretary general of the organization for American states. This arrangement seems likely to enhance the prestige and importance of the organization.

It was indeed fortunate that the United States could speak and make its offer of aid before the Cuban delegation could make its own declaration. As expected, the speech of the leader of the Cuban delegation, Mr. Ernesto Ché Guevara, was a violent attack on the so-called American imperialism and almost an appeal to all Latin Americans to rebel against the power of their strong northern neighbour. Mr. Guevara cut quite a personable figure at the conference. He was dressed in the well-known Cuban battle-dress suit, had the familiar well trimmed beard, was surrounded by the most horrible looking and presumably armed bodyguards, and put on quite a well rehearsed theatrical performance.

Mr. Guevara is very young. He is only 31. He is quite obviously an intelligent man and has acquired most of his training by intuition. But he has a natural talent for the stage and a definite talent for eloquence. His performance would have been worthy of an Oscar if Oscars were given for such performances. It was dramatic and the audience of 1,000 clearly enjoyed the show that our friend Guevara put on. But the hollowness of his arguments and the obvious efforts which were made to break up the unity of the conference met with the indifference which that speech deserved. It became apparent that all delegates were strongly united behind the position adopted by Mr. Dillon and the United States delegation.

It seems that Mr. Guevara, after he had finished his speech, fully realized that he could not carry on with his initial stand and, as a result, the Cuban delegation became much more co-operative as the conference progressed. It advanced proposals and amendments which made sense and which, at one point, were in fact unanimously accepted. Many delegates, towards the end of the conference, even had the impression that Cuba was willing to conciliate and find a basis

for a better understanding with its neighbours. The conference was definitely a success.

What is most gratifying is that during our stay in Punta del Este, we met the representatives of most of the Latin American countries and I am pleased to report that Canada enjoys a position of great prestige in Latin America. There was no exception and the political and business leaders whom we met all expressed their admiration of our country and their wish to establish a closer cultural and economic relationship with our nation.

At a luncheon which was offered to the delegates of the various nations by President Haedo of the republic of Uruguay, Canada occupied the place of honour and it was indeed gratifying to realize that Canada and Canadians are held in such high esteem in South and Central America. It was remarked frequently by many Latin Americans that there is an affinity between Canada and their respective countries. The Argentinians in particular observed that although we are geographically located at opposite ends of the Americas we nevertheless resemble each other from the point of view of size, population, the quality of our industry, the nature of our agricultural products and many other features; and the wish was expressed everywhere for a closer relationship which should prove mutually profitable. This, of course, made us very proud to be Canadians and to realize that the love which we have for our country is shared by so many others in foreign lands.

The conference lasted for ten days and ended on a note of optimism and determination to improve the fate of one and all in Latin America. There is no doubt that the moves that were initiated should prove extremely beneficial to the general and better interests of all American countries. Immediate effects resulting from the crash aid program should be felt soon and if the resolutions adopted are followed to the letter, it is quite reasonable to state that the future looks bright for Latin America. At this point, it is important to emphasize the great differences that exist between the economic structures of North America and those of Central and South America. The methods which have permitted the United States and our own country to grow and prosper during the last twenty five years are almost unknown in many sectors of Latin America or are still in their incipient stages in most countries. For example, banking such as we know it, trading and business practices which are in current use in this country and which have been so successful are unknown or not utilized in many sectors of the southern hemisphere. The use of credit which is the basis of our economic strength is unknown in most of the Latin American countries. Few people in Latin America can, as an indication, buy a home, an automobile or the other commodities of our every day life and be granted the privilege of paying over a short or a long term basis. Money can be borrowed only at the most fantastic rates and investments in many countries are considered insecure because of a raging inflation and of the ever present risk of political revolutions.

The degree of illiteracy is tremendous. It is estimated that in Brazil alone, a country of 70 million people, at least 50 per cent of the population or 35 million people are completely without education of any kind. The degree of poverty as a net result in some areas is almost beyond description and I can say without exaggeration that in order to improve the standard of living of these enormous masses, almost all remains to be done. Latin America needs enormous sums of money; and although the sum of $20 billion offered by United States as aid during the next ten years may appear fantastic at the outset, it is still relatively insufficient to meet the needs of Latin America during the next decade. But what Latin America needs far more than money is the technological methods and the scientific training which have been applied with such success in our northern hemisphere. Latin America does not need money as much as the knowledge of what to do with the money that it will receive. In the name of sovereignty or autonomy, some countries may be reluctant to accept the advice of foreigners or of those North Americans who will try to teach them the proper use of the financial means which will be offered. This could very well be disastrous since this money, if not properly utilized, could well be spent in futile ventures or even fall into the hands of a very few who, as it has too often been the custom, will invest it in foreign lands where the risk of a revolution is small and where the rate on investments can be more secure. Those interested in the future of Latin America should immediately use every effort to convince all Latin American countries of the need to accept the help of those who wish to train Latin Americans in the ways of modern technology and industrial and business practices which have proven so successful. An endeavour in this direction is essential if immediate and long term success is desired. A failure in this attempt will almost inevitably result in the rebellion of the people against the hopelessness of their fate and destiny and the advent of communism. What threatens Latin America is the worst form of communism, the revolution of the people who have not against the people who have; the destruction of all that is good; the rebellion of the poor

who blindly will destroy all that stands in their way; the chaos, confusion and bloodshed which accompany revolutions and for us the danger of having next to our shores the presence of millions of people who will distrust and hate. All this has been realized by the delegates and observers who were present at the Punta del Este conference and, in the opinion of many, the hour is quite late. For these reasons and many others, it is quite obvious that the citizens of the free world who enjoy the benefits of prosperity and freedom must try to help these southern neighbours who need a helping hand more than ever before in their long history. This help should be given not only in a spirit of charity but also with the firm conviction that our democratic way of life is right, that it must expand, thus offering a defence against the onslaught of communist propaganda which may reach within this country of ours.

(Translation):

Mr. Chairman, during our recent trip to South America, it was our privilege to visit the beautiful countries of Uruguay, Argentina and Brazil.

I should like to report briefly on what we have seen during our trip.

Uruguay is a small country of about 5 million people which is rightly considered in South America as a model of democratic life. The republic of Uruguay has a stable government; the democratic principles in which we believe and which are the basis of our existence are exactly those that are honoured in that country. As a result, the country's economy is sound. The value of its currency is fairly stable and inflation is practically unknown there.

The capital city of Uruguay, Montevideo, with a population of over 1 million, enjoys progress, prosperity and a way of life that angurs well for the future.

South of Uruguay, is the republic of Argentina, one of the most beautiful and richest countries in the world. Its soil is fertile and its natural resources plentiful. Undoubtedly, under a sound administration, it will once again occupy the predominant cultural and economic position it once held in our world.

Argentina still exercises a great influence in Latin America and elsewhere but the fact remains that that magnificent and wonderful country was practically ruined under Peron and the nefarious administration which was characteristic of his regime. Today, the majority of Argentines support President Frondesi, a remarkable man who has fully succeeded by his wisdom and inspired leadership in restoring order and prosperity in his country.

[Mr. Sevigny.]

Meeting President Frondisi, we got the impression that here was a man who could restore Argentina's fortune and give back to this extraordinary country the prosperity it unfortunately lost under the administration of Juan Peron and his associates.

Undoubtedly numerous problems are still facing the Frondesi administration, and the worst may well be the inordinate inflation prevailing there and which it will be difficult to control. We were given the opportunity to see what happens to a country where inflation exists and especially how harmful it is to the white collar class and to those with fixed salaries when prices are spiralling and goods getting scarce.

What we have seen in Argentina shows how advisable it is to try and prevent inflation and to protect Canada from that scourge.

Brazil is a vast country with a population, as I said earlier, of over 70 million people. Its population increases each year for, they say its birth rate is 3 per cent a year, which is the highest in the world.

That country has tremendous resources and since vast territories are still unexplored, one can presume that the wealth of that land of promise is even greater than one can conceive.

We had the privilege of visiting the city of Brasilia, a true example of what human imagination can create. That city is indeed a tribute to those who have faith in the concept of modern architecture and civil engineering. Five years ago, Brasilia was a barren plateau scorched by a burning sun. More than $750 million were spent for the construction of that capital city, and that is said to be only a beginning.

More than 100,000 people live in that city. Everywhere, one sees modern streets and ultramodern buildings. If one fault can be found with Brasilia, it may be that it is too modern and that its architecture is somewhat futurist.

Brasilia was selected for both sentimental and practical reasons: sentimental, because that city is located at the very mouths of South America's two great waterways, the Parana, running into Argentina, and the well-known Amazon; practical, in the sense that it was considered wise to erect that city in the very centre of the country, in order to have new industries and numerous villages developed around it.

Rio de Janeiro is still perhaps the finest city in the world, from a panoramic standpoint. There is also in that city an atmosphere of dynamic and progressive activity. Brazilians wish to forge ahead, to progress and to raise their standard of living.

During our stay there, the main topic of conversation revolved around the activities of ex-president Janio Quadros. He seemed to enjoy extraordinary personal popularity. We could feel, however, that sound thinking people were concerned about his leftist leanings, and it is certain that when he decided to award his country's highest decoration to Mr. Guevara, the Cuban minister of economic affairs, his action was resented by a great many people, and the result was to hasten his resignation.

(Text):

Mr. Chairman, I have only a few more sentences to finish my speech.

The Deputy Chairman: Does the committee give unanimous consent to allowing the associate minister to finish?

Some hon. Members: Agreed.

(Translation):

Mr. Sevigny: Mr. Chairman, what amazed me during the talks I had with Brazilian statesmen was their desire to co-operate with the western powers.

Communism has certainly no hold on Brazil and we have there allies who want to co-operate with us and to prevent, if possible, the birth of subversive movements in that country where huge illiterate populations are living, which, if they were to be subjected to communist influence, could easily cause a social and economic revolution.

(Text):

On our way back to Canada we stopped in San Juan, Puerto Rico, and we had the great privilege of meeting the governor of the commonwealth of Puerto Rico, Senor Luis Munoz Marin, who is considered, and rightly so, in many circles as one of the great democratic leaders of our times. The governor gave us a wonderful reception and at a dinner which he gave in honour of the Canadian delegation we had the privilege of meeting the members of his cabinet and many other Puerto Rican leaders in the fields of finance and industry.

When Luis Munoz Marin was elected governor of Puerto Rico in 1949 there was very little activity in the island. The degree of illiteracy was very high. Poverty and its allies, that is misery and even crime, were everywhere. The economy was in a precarious condition. Through sound economic management, imaginative and progressive theories, Luis Munoz Marin completely changed the course of events. By offering special advantages to industries interested in the wonderful climate of the island, its vast labour pool and many other advantages, Luis Munoz Marin has in the short space of 12 years attracted over 700 new industries to the island of Puerto Rico. These new industries represent an investment of well over half a billion dollars. These new industries have meant work and employment for the people of Puerto Rico and also an ever-increasing level of well-being.

Schools have been built everywhere and as a result illiteracy has almost completely disappeared from the island. A slum clearance program has been carried out and is being continued, and all over the island can be seen low-cost housing developments where today live in comfort people who for generations had resided in the most abject slums. Magnificent hotels have been built and millions of tourists consider Puerto Rico as the ideal vacation land.

All this has been accomplished through peaceful methods without revolutions and crippling strikes. The government of Puerto Rico observes to the letter the rules of democratic government in which we believe and always strives to co-operate with those who wish to help them instead of resisting progress. What is happening in Puerto Rico through the application of democratic methods which we understand and in which we believe can also happen elsewhere in Latin America, and it is to be hoped that the example of Puerto Rico will serve as a model to other countries in Central and South America.

At this point it may be useful to establish a parallel between what has happened in Puerto Rico and what has happened and is still happening in Cuba. Both islands have the same climate, the same rich soil, the same products, and are populated by people of the same origin. In the one island, Puerto Rico, thanks to the better ways of democracy we see prosperity, expansion, a happy people, a booming industry, millions of tourists and, to sum up, a very bright future. In the other, Cuba, because of revolution, corruption in government and the desire by its present leaders to move to the left we see a chaotic economy, the rule of force and strength, despair and fear, empty hotels, a ruined tourist industry and the distrust of almost everyone in the immediate future of the island.

May I summarize by saying that after visiting Latin America I realize more than ever that, although here in North America we may have shortcomings and we accept the fact that a great deal remains to be done if we wish to move forward toward our great destiny, we nevertheless have managed to achieve success through the application of our methods of government and our search

for an ever better and improved standard of living. We have achieved all this through peaceful methods and we have established as the basis of our mode of life the principle of freedom—freedom from fear and freedom from want. We have fought for this freedom and we shall undoubtedly fight again if it becomes necessary to protect it. But in order to protect this freedom we must share what we have with others who need our help and guidance. Our fate will be a better one if the fate of our neighbours in Latin America is also a better one. The people in Latin America believe in us. Let us be worthy of their trust and it may be that in the unity of the Americas in freedom, prosperity and well-ordained progress may rest the answer which we seek to the peace of the world.

Mr. Badanai: Mr. Chairman, I was very much interested to hear the Associate Minister of National Defence speak on South America and as a result I decided that I would say a few words because Latin America has a special place in my heart. I was only a year old when my parents took me to Brazil. My father owned a coffee plantation there but unfortunately when I was about six years of age a younger brother of mine died of malaria. My mother became panicky, with the result that we packed our bags and went back to Italy, the country where I was born. Instead of selling coffee now in Brazil and probably doing business with the Minister of Trade and Commerce, because of the death of my little brother I was destined eventually to come to Canada to sell automobiles.

The story of Latin America today has to be told in the moods of her people as well as in statistics. One cannot generalize about Latin America any more than he can about Asia, Africa or Europe. It is true, however, that the people of Latin America do have certain things in common including ancestry, language and a colonial history, but probably the most important common characteristics are a fierce pride, impatient youth and a craving to break out of the condition of underdeveloped peoples living in underdeveloped lands.

I should like to deal very briefly with certain points relevant to the underdeveloped nature of Latin America as a geographical area. The potential resources of this area are enormous and thus far only the surface has been scratched. The main problem is lack of capital despite the fact that outside private investments and loans have been considerable.

The mineral resources of Latin America constitute her greatest wealth. Oil is abundant especially in the north of South America and in the Caribbean. In the south the resources have not been effectively tapped because of lack of capital and technical know-how. Peru and Chile are rich in copper, Chile in nitrates, Brazil and Venezuela in iron, manganese, coal, gold and uranium.

In agriculture Latin America's production per capita lags behind the rapid growth of population but the soil is rich and can grow sufficient food if farmers are taught how to get higher yields by the use of modern machinery and techniques and if storage and transportation facilities are installed to spread equitably the products of agriculture. One of the greatest dangers is the one crop economy pattern which is so typical in Brazil with coffee, and I know something about that because my father was in the coffee business there. The same thing also applies to other Latin American nations with respect to other crops. Such practices place the nations concerned at the mercy of world price fluctuations. The economic problems of the area are largely a result of the inadequate use of resources for reasons that range from lack of capital through low productivity, dependence on world prices and poor administration to the selfish shortsightedness of governments and business.

Internally the situation is generally one of inflation and skyrocketing costs of living which sap the strength and development capacity of most of the nations of the area. Consequently there are problems of balance of payments which generally are unfavourable, although Latin America's trade with Canada alone amounting to approximately half a billion dollars last year underlines the region's commercial importance.

I should like to deal at greater length with some of the basic political problems of Latin America. The United States secretary of state recently told the council of the organization of American states that an ideology foreign to the western hemisphere has little chance of taking root in Latin America. An article in the April 1960 issue of *Foreign Affairs,* written by Professor Frank Tannenbaum of Columbia University, gives reason to question not only the American secretary of state's optimism but also the rosy impression left by Canada's Secretary of State for External Affairs in his speech of February 10 this year when he said that all 20 republics of Latin America are "imbued with the love of freedom and all are very responsible members of the United Nations". That reference may be found at page 936 of *Hansard* of that date. Professor Tannenbaum

does not even discuss the danger of communism in Latin America, but the situation he describes sounds very familiar to those of us who have watched the pattern of communist revolution in other parts of the world.

According to the *Foreign Affairs* article to which I referred, Latin America has not developed genuine liberal democracies. The only form of political authority which typifies government in Latin America is personal authority. The only way this personal political authority can be transferred is through violence or death. In any stable democracy there must be freedom of association to organize political parties as alternatives to the party controlling the government. In Cuba, however, and this is typical of Latin America generally, what seemed to be political parties on the surface were not parties at all in our sense of the word. They were merely groups of office seekers in search of a leader who would authorize their misuse of public funds for private ends. Sometimes the forms of democracy have been observed, but only the forms. The real pattern of Latin American history for the last 150 years has been dictatorship, rebellion and again dictatorship. There seems to be little hope of change in this pattern.

Professor Tannenbaum does not draw the clear implications of his study but they are there to be considered by all who have responsibility for the planning of western policy. Mr. Khrushchev has shown that he understands the term peaceful co-existence in an active rather than a passive sense. In the case of Latin America it is entirely likely that Mr. Khrushchev is considering the possibility of shortening the time when communism will, in his words, inevitably triumph. So far it is true that there has been little communist penetration in the region, but if Professor Tannenbaum is correct South America may well be the next continent on the Kremlin's list. The situation he describes is exactly the type of situation in which communism thrives.

For most of the people of Latin America the political choice is not between dictatorship and democracy but is between a dictatorship which looks as if it were endeavouring to give them enough to eat and one which does not give that appearance. If the west wishes to keep Latin America out of the soviet camp it should adopt policies which in the long run will make possible a third choice, namely a system of politics under which peaceful changes of government can take place.

In his speech of February 10 to which I have already referred, the Secretary of State for External Affairs advocated increased trade with Latin America, expansion of cultural relations, the possibility of official visits, and the strengthening of diplomatic relations, but not a word was said about helping the ordinary people of the Latin American republics who are in many cases left or even kept in poverty, ignorance and ill health in homelands which are rapidly becoming overpopulated because no one cares enough to make the considerable effort necessary to lift them from the feudal past to an industrial future.

As the minister said, Latin America is indeed an area in which a great deal more can be done than has been done in the past. I hope that when the hon. gentleman spoke about extending cultural relations he had in mind something that would be of direct benefit to the people as opposed to governments. For example, if we engaged in an exchange of primary, secondary and even university teachers, considerable benefits might well flow to the people of Latin America over a period of years. Similarly there might be an extension of activity in the field of student exchanges to include, with the assistance of scholarships, the children of the less well-to-do in Latin America.

In closing I wish to quote from an article in the March 1, 1958 issue of *Saturday Night*:

> In a world that tends to see the fight for freedom often in terms of the struggle between the soviets and their chained peoples, the repeated violence in the Latin American republics, as regimes come and go, testifies at least as much to the vitality there of liberty as an ideal as it does to the inability, as yet, of the Latins to find their own answers to political stability.

We might be able to help the peoples of Latin America find some of their own answers to the problems of politics if we concerned ourselves with the basic importance of helping to establish for them a sound foundation of education. It might be said that Canada can do little here. I reply that in education even more than in economics a multiple effect is achieved. After all, Christ taught only 12 disciples but it was not long, as history shows, before the Roman world was Christian.

If we help teach the ways of liberal democracy not only to the people of Latin America but to the Africans and Asians, we may well be doing something for which governments are not noted, namely having due regard for the long term interests of the nation and indeed our entire civilization. I earnestly believe we should consider joining the organization of American states which is holding an empty chair for Canada to occupy.

Mr. Stinson: Mr. Chairman, following as I do the Associate Minister of National Defence

and the hon. member for Fort William, I wish to congratulate those two hon. gentlemen on the very helpful and informative speeches they have just made which I am sure will increase the knowledge of hon. members of Latin American affairs. I think traditionally Canadians have looked east and west rather than south, and when they have looked south, many times they have not looked further south than the United States of America. I hope other hon. members will have opportunities to travel in South America and that there will be other occasions for members of the House of Commons to build up relationships and friendships among themselves and people in that continent who are in positions of responsibility.

The first thing I wish to say tonight, Mr. Chairman, is to urge the government to do everything it can to stop further nuclear testing. I must say that tonight my mind is a long way from here and from South America; rather it is in that area of the world where four bombs have been dropped recently and from which area at this very time radioactive dust is drifting to other parts of the world. No matter where that dust settles it can do nothing but harm. I urge the government to do everything it can to stop those tests above the ground, under the ground, or in the laboratory.

The press secretary to the President of the United States of America, apparently speaking for the administration, said that new United States tests were necessary because, as he put it, important advances can be made by further scientific developments. Since the United States already has a stockpile of atomic weapons which it said last week was wholly adequate for the defence of the free world, I cannot see that further testing will do anything but speed up the tempo of the arms race.

There may be many factors in this most complex problem which are unknown to me, Mr. Chairman. I heard the Leader of the Opposition on television the other night. He made his comments in this regard. He said that there might be things of which he had no personal knowledge and therefore, as I recollect his remarks, he did not want to make a dogmatic statement; but I say that the most important thing for this parliament to consider tonight is the steps that our government can take to put an end to those explosions at the earliest possible moment.

I wish to take part in this debate for three other reasons. The first is that I wish to express my appreciation of the services and leadership which have been given recently by the Prime Minister and the Secretary of State for External Affairs. All of us know of the intense interest which the present Prime Minister has shown in international affairs throughout his public career. He attended the founding conference of the United Nations, and at every session of parliament since that time he has put forward constructive proposals for preventing war and for creating conditions which would help to give the better life to people in other countries who are oppressed or who are suffering because of being without proper food, adequate housing, clothing or educational opportunities.

I thought I had heard the Prime Minister of Canada in his finest hour on September 26, 1960, when he spoke at the United Nations. He made a speech in the United Nations assembly which was unanimously accepted as a brilliant answer to the false accusations of Mr. Khrushchev which had been made the week before. But on September 1, 1961, he made a statement before the Canadian Bar Association which I think the world greatly needed and which surpassed all previous speeches he has made on international affairs. I am sure this speech will have an effect on the course of events.

Some of our critics say that Canada should take the lead among the middle powers. I say that with that speech in Winnipeg the Prime Minister will give the lead to the great powers. On behalf of the citizens of York Centre I wish to express my gratitude to him.

Since parliament last debated foreign affairs the Secretary of State for External Affairs has spoken for Canada on many international problems. These days some persons are so appalled by the immensity of these problems that they think only of the gloomy side of things and talk in generalities. The Secretary of State for External Affairs is not one of those. He has won for himself at NATO, at the United Nations and at Geneva the reputation of being an optimist, but an optimist who believes that optimism can only be sustained if you work hard day by day to find solutions to the problems at hand. This has been the policy followed by our country on disarmament.

Canada must continue to advocate means of bringing about negotiations in the face of the most discouraging conditions. We must attempt again and again to devise means of bringing about negotiations and if the means that are proposed fail we must try again. If members of this parliament advocated any other policy or sought to disparage—and this has been done from time to time—the conscientious efforts made by our foreign minister in this regard how could they explain themselves to their constituents or to their children

who see over one third of the national tax revenues devoted to maintaining and equipping armed forces?

I wonder whether any hon. member has had the experience, as I have had recently, of trying to explain to a 13 year old child how it has come to pass that in 1961, having the benefit of all the wisdom and inventive genius of the great minds of 20 centuries, the leaders of the world today are snarling at each other, threatening war and talking about dropping a bomb which would destroy millions of people. All I can say is that when you try to explain this you realize how bad things have become and how important it is that Canada continue to press for disarmament.

The second reason I have for speaking in this debate is that I believe I have an obligation to my constituents to say in parliament what I think about world affairs. In saying this, Mr. Chairman, I am fully conscious of how little I know. The week before last I was in Europe and had conversations there with some Canadian foreign service officers and other people who have some knowledge of European affairs. When one considers what is happening in Berlin and knows that our leaders have the advice of experienced and trained experts one has reason to wonder whether anything one can say can be of any help at all. I think members of parliament have a duty to try to assist the experts. We have better facilities and opportunities for becoming and keeping informed about those problems than most of our constituents have. No matter how complex some of the problems appear we must try to understand them and make suggestions. The right to make suggestions in parliament is a right which is given to very few Canadians. I hope hon. members will forgive me for stating the obvious. I am very much aware of the privilege which is mine in being here and having the right to say what I think about these things. I recall hearing the hon. member for Greenwood speak years ago on this subject, and I have not forgotten what he said. What an excellent example is set by that hon. gentleman for those of us who have arrived here fairly recently.

The third reason I wish to speak tonight, Mr. Chairman, is to make some proposals. The other day I read a statement attributed to Senator J. William Fulbright, who is chairman of the United States Senate committee on foreign relations. He said this:

> I, for one, am not at all certain that the principles and values of western civilization represent the common aspirations of all peoples.

I was surprised to read this because, like the Washington correspondent for *Maclean's* magazine who used this quotation, I have a deep admiration and respect for Mr. Fulbright and generally agree with the speeches he has made which I have seen in print. Hon. members may be glad to know that I do not propose tonight to give a discourse on the principles and values of western civilization. It does seem to me, however, that if properly defined they do represent the common aspirations of all peoples. What are they? I think the principles are derived from Judaism and Christianity; that there is a God who loves all people and if people understand love and practice honesty and charity they can aspire to a satisfying life. I know that these things are not fully understood by many people in Canada or elsewhere, but I think there is a force which is pressing all of us to live by this principle and a deep-seated desire in all of us to do so.

I think that the values are derived from the ancient civilizations of Greece, Rome and western Europe. What are they? The first, of course, is freedom which I think is the right to think and act without arbitrary control or direction by the government. I think that the other values are companion values to political freedom, which have gradually come into common acceptance with the passage of time. Does freedom not represent the common aspiration of all peoples? Again, we are dealing with something which is not understood by many people struggling each day in Latin America or southeast Asia, as well as many other parts of the world, to get enough to eat and drink. Many of these people are unable to read and cannot be expected to know the meaning of freedom. I think it is one of the innate desires of all human beings. I think, therefore, on this count also Senator Fulbright may be wrong.

It is fashionable in some quarters these days, Mr. Chairman, to say that western countries, especially the United States, in trying to impose their standards and methods have done more harm than good. Books like "The Ugly American" and "A Nation of Sheep" are given a big play. If you do not agree with these books, you are considered a reactionary. Leaving aside the massive economic assistance which has been given by the United States to the newly emerging nations I say, with few exceptions, that government has a good record in its attempt to establish conditions which would give people political freedom.

I think also, as does the Prime Minister of Canada, that the time has come for precise declarations on the part of the non-communist countries of their principles and aims. This must be done and done soon to overcome the phony image of western ideals and the

western way of life which is being presented in communist countries and by communist agents in the less developed areas. It will take perhaps a little time to do this, Mr. Chairman, and a lot of conferring with other governments.

But there is one thing Canada can do alone. I propose that the government call, for the year 1962 or 1963, a conference on understanding. Each member of the United Nations should be asked to nominate 50 student delegates to this conference. I suggest that it be held at one of the great Canadian universities and that the Canadian conference of universities be asked to look after the administrative arrangements. I calculate the cost of such a conference as $15 million, which is less than 1 per cent of what this country is now spending yearly on national defence.

Now, Mr. Chairman, I know there will be cynics and others throughout this country who will say that this will be nothing but an interesting gathering of students and academics who may enrich their lives to some extent by coming to this country and attending seminars, having conversations and touring about. However, I say it is terribly important that at the earliest opportunity we bring together as many students as possible, especially from those areas of the world in which there are limited educational opportunities, to meet with political and academic leaders in this country. With proper planning this conference could make a significant contribution to understanding. I believe that a wide range of subjects could be discussed. I do not believe it would be difficult to attract a voluntary corps of Canadian university professors and others, and as much would be gained by informal meetings with these people and students from abroad as from the formal sessions. This country has the resources to undertake such a project, and I hope it will attract the imagination and interest of other members in this parliament and the support of the government.

The next proposal I should like to make, Mr. Chairman, the Secretary of State for External Affairs will be pleased to hear, requires no money at all from the government. It is a request I should like to make of the businessmen of this country. Hon. members will have read recently in the newspapers about the landing in India, Ceylon and Sarawak of the first contingent of Canadian overseas volunteers, known in Quebec as "Volontaires Canadiens Outre-Mer". Under sponsorship of this private association, 15 young Canadians representing most parts of Canada have undertaken a year's voluntary service in these areas. They receive a small subsistence allowance from the host government.

Where there is a Canadian representative, a contingency fund is administered to meet unusual conditions and, on instructions from the government, the Canadian high commissioners are keeping a watchful eye on the volunteers. I think Canadians can be proud of the fact that these young people are now in the field and have taken up their duties before any members of the Kennedy peace corps have left the United States.

I would not want hon. members to think, however, that the Canadian overseas volunteers have been in competition with the peace corps. The Canadian overseas volunteers are not in competition with anybody. They are not out there seeking honour and glory. Their purpose is to serve in a humble way in industry, agriculture, public administration, commerce or medicine under the direction of the host government, and to promote international understanding and brotherhood by informing themselves and other Canadians of the history, culture, traditions, political and economic life of the people among whom they are working. Two weeks ago, Mr. Chairman, I stood on a dock in London and watched these 15 young Canadian students standing beside the rail of a ship leaving for their areas of voluntary service. It was a moving experience and I am sure that if businessmen who may read this speech can imagine that experience, they will rally to the cause and send in their contributions.

These people, leaving aside opportunities to enhance their financial position and going out into an environment quite alien to that to which they are accustomed and working under conditions which are strange and extraordinary, were prepared to do one year at least of sacrificial service. If we, sitting back here in the relatively easy conditions of the home front, fail to give these young men and women and their successors a reasonable amount of financial support, I say that we have missed a great opportunity to serve the world through them and to serve our own country. Canadian overseas volunteers originated with a suggestion made by Dr. Donald K. Faris, a Canadian of great experience in Asia and now working with UNICEF in India. The chief academic advisers have been Dr. Nathan Keyfitz who is a former director of the Colombo plan bureau and Professor Yves Martin of Laval University. As I have said, a first year's pilot program is now well under way. Its success will depend on the work of the volunteers themselves, but they would not have got out there had it not been for the efforts of Mr. and Mrs. Keith Spicer, whose rare qualities have been brought to bear on

every phase of this project. I wish to acknowledge also the work of M. Michel Côté and his student associates at Laval.

The Canadian overseas volunteers undertaking has been commended by the Prime Minister and the Secretary of State for External Affairs. I now call on Canadian businessmen for financial support. It is an investment in young Canada, a modest contribution to people in other countries and a way of promoting good will and international understanding.

On September 19 the next regular meeting of the United Nations assembly will get under way. At the last assembly Prime Minister Diefenbaker said this:

> Let us not leave this place without some hope for mankind. Let us instead say to the peoples that death's pale flag shall not again be raised in war, and that fear shall be lifted from the hearts and souls of men.

A year has passed since that speech was made and now there is greater reason for fear than there was last September. There is not really very much to be cheerful about these days; and so I say this: Let us not leave this parliament without doing something in the international community to raise the hopes of Canadians.

Mr. Pitman: Mr. Chairman, as this parliament resumes sitting, it does so in an extremely serious state of mind, perhaps more serious than for many years. We are indeed closer to war tonight than we have been at any time since 1945. The statements of the Prime Minister, the Minister of National Defence and the Secretary of State for External Affairs have given us some indication of the reality of this situation.

The Berlin crisis I think has indeed destroyed one myth. I refer to the belief that we could fight limited wars over matters of vital concern to the great powers. It was some years ago that Mr. Dulles carried through the brink of war strategy in the United States, the strategy of the deterrent. Then the United States changed to a belief that wars could be fought with conventional weapons, that no one would be inhuman enough to bring into action the ultimate in weaponry. However, we now realize that the brink of war diplomacy works both ways, and that we can both blackmail each other with super bombs and with the horrors of our weapons. We have realized with nuclear testing that the threat of nuclear war and the Berlin issue are tied very tightly into one bundle. Tonight as we sit here we realize that one fatal mistake could destroy us that we are indeed but one phone call and one finger away from annihilation. I shudder, Mr. Chairman, when I hear of the extent of the preparedness of the strategic air command, on 24 hour alert, with bombers always in the air and with the possibility of initiating an attack within seconds. I think the tension of this situation is almost unbelievable and perhaps beyond what human capacity can continue to accept. Indeed, one man has suggested it is statistically certain that if these conditions continue bombs will drop and perhaps sooner than we would care to think.

So we stand tonight on the brink, almost totally inured to the statistics contained in the latest book on nuclear war, namely that the United States has the explosive equivalent of 10 tons of t.n.t. for every man. woman and child on the surface of this earth, sufficient indeed to destroy ten times the number of its people. Perhaps one area in which Canada could make some contribution is in continuing to bring before the nations of this world the horror and the atrocity which a nuclear war would create. I think it is time that we took a second look at nuclear war and thought of winning a war or surviving one. Certainly we want to do everything we can to survive and we congratulate this government upon the suggestions they made this afternoon which will come to pass. But let us not make any mistake about the matter; millions will die.

One cannot read the story of the Berlin issue since 1945 without coming away indeed impressed with its complexity. In a sense, it is a matter of our own sins coming upon us. All of us remember in 1945, as the allied armies marched through Germany, there was a suggestion that we should carry through and capture Berlin. Then as a result of change in strategy—and I do not think we need to bother to assign the blame for this change in strategy—it was decided we would not take Berlin. By that mistake, through failure to realize that the strategy at the end of the last war would decide the problems of the post-war period, we have brought many difficulties upon ourselves. However, we cannot rectify our problems in clouds of radioactive dust.

I think there are two things that could bring war, namely the one I suggested, that fatal mistake, and second emotional oversimplification. I think it is important that we should not misuse history. When we talk of Munich in regard to the Berlin issue we are confusing the issue. Certainly when we talk of Poland, we are doing nothing to foster an understanding of this situation. Would that the issues were so clear as the blatant militarism which brought about the invasion of Poland, even though that indeed would bring upon us the holocaust we desire to avoid. Here we have a situation which has no real precedent in history. We have a divided city, one half cut off by 100 miles

of territory from the political entity which is its rightful state. The worst thing we can do is to try to reduce this complexity to an emotional catch phrase such as to rescue the west Berliners from Russian tyranny or, on the other hand, guard the socialist people's state from western imperialism. The worst thing also that we can do is to inject into this political situation the heart-rending problems of the east German refugees. I know all of us are concerned; indeed perhaps some of us are even heartbroken about the situation of these people. However, we have no right to expect that West Berlin can be continued as a means of subverting the east German government. If it becomes a matter of helping to oppress people by our foreign policy we are going to be in serious difficulties indeed, as this will mean real war.

We have much to answer for in Angola, in South Africa and French North Africa. The only way we can help these people on the other side of the iron curtain is by a long and continuous process of working toward peace and convincing the U.S.S.R. that the heavy hand is less and less necessary. That alone is the final answer.

Therefore Canada's role must be to bring the powers together. We must negotiate and it must be done quickly. I think the Secretary of State for External Affairs was very wise when he said that one of the things that has certainly confused the problem in West Berlin is the fact that an election is going on and you have each of the politicians of West Berlin and west Germany seeking to sell their electorate a bill of goods that they indeed are going to protect Germany's interests and unite their peoples. Even Mr. Khrushchev suggested that things will be much better after September 17, as our own Secretary of State for External Affairs suggested. But we must bring them together to negotiate before the area of negotiation disappears. We must bring both sides closer and closer together. The area of negotiation is becoming less and less. The national pride of each one is being bound up within certain terms and certain items of any negotiated peace treaty and it may come to the point where every concession becomes appeasement, where every agreement becomes seeming treachery. Again, we must bring the powers together to negotiate. We must do so because this period of crisis and tension puts power into the hands of the very group we should fear most.

We tend to think of Russia as a monolithic state very much like Nazi Germany. The two do not compare. Mr. Khrushchev is not Hitler. He does not have the power. The Russian people are not the German people with the historical background of the German people nor are the doctrines of communism those of nazism. They bear little relationship when you come down to actual analysis. There is cut and thrust to their politics and a constant striving for power. We encourage the military elite of Russia to ascendancy, when we pose as intransigent.

I think perhaps the greatest disaster of the U-2 incident was that we placed the men we should fear most in control of the Russian state. We must come down to essentials.

What has Mr. Khrushchev actually said; what has he promised? It is very easy to say we cannot trust what Mr. Khrushchev says. But if we come to that point, really what we are saying is that there is no answer but pushing the button. Mr. Khrushchev, in his answer to President Kennedy's speech, said:

> Following from the international law which cannot be disregarded, I should like to repeat once more that by concluding a peace treaty with the German democratic republic we do not intend to infringe upon any lawful interests of the western powers. Barring of access to West Berlin, blockade of West Berlin, is entirely out of the question.

That is the statement of Mr. Khrushchev himself. Are we going to war because we will not recognize a state which exists? Mr. Trygve Lie, the former secretary general of the United Nations, suggested once that the Korean war was brought on by our refusal to recognize red China. Are we going to war to perpetuate a myth that we are determined to create a united Germany? Are we going to war to bolster the national pride of either the United States, which is coming out of the fiasco of Cuba, or because of the injured pride of the U.S.S.R. which is somewhat reluctant to accept the fact that refugees are leaving the socialist heaven of East Germany? Are we going to war to maintain a status quo which we ourselves do not accept, in terms of West Berlin and a recognition of East Germany? I think these are the essentials which we as Canadians must bring before the nations of the world by negotiation.

As I drove down here this morning I was impressed, as was the hon. member for York South, by the very fact that in spite of all the technological advances and the magic which we can now perform with the human mind we cannot seem to solve these human relationships. I could not help feeling, perhaps emotionally, as I drove past groups of children who stood on the side of the highway waiting for the school bus to come, what a tragedy it was that we as members of parliament were driving down here to discuss war and the possibility of war.

Once again we must negotiate. We must find the area of fear, of blind, unreasoning

terror on both sides. The Secretary of State for External Affairs said that NATO was set up as a defensive organization—and it was. We agree with that and we agree that it has played a real part. But surely he would admit that the line between defensive and offensive really does not exist.

When Mr. Khrushchev or any Russian citizen hears Mr. Adenauer speak of a free and united Germany, when he sees German troops and remembers the effects of two world wars; when he sees I.R.B.M. bases being erected, can he possibly regard this as defensive? On the other hand when we see the resumption of nuclear tests we cannot see this as defensive at all and we cannot see how it can be regarded as a method of keeping the peace. We must seek out the areas of fear. We must find a neutral zone in Europe. We must separate the powers in this one area which can bring conflict.

Canada has every right to play the role of mediator; to take more and more action. Why? Not just because she is a middle power, but because she alone is geographically in the middle. We need time. We need time desperately. Canada's role can be that of cooling the tempers. It is amazing to look back over the last 10 years and see problems which were at the time insoluble. We can look back at the situation in the Middle East. I can remember reading articles that this was an insoluble problem; Egypt was determined by its foreign policy to annihilate the Israeli state and would accept nothing else. The Israelis were a nation with modern western weapons and were determined to expand, and there could be nothing but war which would eventually lead us into total war.

Because of a Canadian solution; because Canada took the initiative at one point we have not achieved a long term solution, because we cannot find any long term solutions, and I agree wholeheartedly with the Secretary of State for External Affairs when he says the tension will rise and fall like a barometer. But we can at least seek time.

I can remember Cyprus. We remember the atrocities committed day after day on British soldiers who were killed by Greeks and Turks. Last week we found Archbishop Makarios standing forth in the role of a man of moderation. We forget that these solutions stopped war and that these solutions at one point would have been branded as appeasement by one side or the other.

When the Korean war took place, at one point the United Nations decided they would unite Korea, and anything else at that time was going to be regarded as appeasement. We determined that we would not have war by allowing the use of certain weaponry or the bombing north of the Yalu river and some of the military plans of those who were in that theatre of war. We have achieved a solution; we have not had general war. This is not a time for standing on the sidelines and cheering. I was concerned when I heard the Prime Minister's first statement regarding the use of Berlin as strengthening NATO. I was much heartened by his second statement in his Winnipeg speech. I am waiting to be enthused by a dynamic, unprecedented crusade to achieve peace.

We have not only those on the other side to fear. I become concerned when I hear statements by—I will not call them warmongers, because they are men who honestly believe they are serving the west and democracy in the best way. But when a man says that we may have to strike first, as General Thomas Power of the United States strategic air command has said, or "I submit you will not deter a war unless you have the capability to start a war", I become concerned about our side too. In this crusade we may have to step on a few American toes but we will be their best ally—

Mr. Drysdale: What about Russian toes?

Mr. Pitman: And even Russian toes too—if we save both of them from the irrational minority within their own nation. There should be a crusade to convince Mr. Khrushchev that his fears are groundless. I think our own Secretary of State for External Affairs has done a great deal in this particular area. We must show that we are ready for the alternative to military competition which is economic competition. Of course, the suspicion of at least part of the communist world is that we do not want that kind of competition, that we are not ready for it. I believe it will require sacrifice, as the Secretary of State for External Affairs suggested, but it will be the sacrifice of giving more and more aid, a greater percentage of our gross national product, of giving more opportunities for education, in other words of raising the level of the two thirds of the people of the world who go to bed hungry every night to the point where communism is not in the least attractive.

This will require courage, as the Secretary of State for External Affairs suggested. It will be the courage to believe in the good intentions of our seeming opponents, not necessarily the courage or rather the foolhardiness which leads us into high temperature incineration, waving a flag and screaming slogans. This other kind of courage may be even greater. As the Secretary of State for External Affairs suggested, it will require a faith that will move mountains, maybe even a faith and a good will which may in the end move even the Soviet tyranny in the

direction of the west. Time is on our side and time is what Canada must fight for. The Russia of Khrushchev is not the Russia of Stalin. It has moved in our direction and we must continue to encourage that move.

There are other issues to which the Secretary of State for External Affairs and his department must give great consideration even though they are overshadowed by the present threat of Berlin. There is the recognition of communist China and bringing this issue before the United Nations. We in this corner believe that this must come, that there must perhaps be two Chinas. Otherwise we can have no real disarmament and, indeed, as the hon. member for Essex East suggested, it may well be that pressure is being exerted from the Far East. It would be well for us to attempt to relieve that pressure. It may mean that we must criticize our allies when necessary.

I was greatly interested in the remarks made about South America. This indeed is a problem on our own doorstep and one with which we must come to grips very soon.

I too believe we must have faith and the place where that faith can best be placed is in the United Nations. We must build up and support the United Nations as Canada and the Prime Minister have done by supporting the secretary general to the last ditch. We must build up the strength of the United Nations by making it in fact a police force. There indeed is where our faith can best be put.

Mr. White: Mr. Chairman, I think the house has listened with a great deal of interest today to the speeches made by various members on external affairs and can be proud of the considered judgment they have displayed in this field. I cannot apply that comment to the last speech to which we have listened. If comfort is going to be taken from that speech it will be in Moscow and not in Ottawa. I would ask the Canadian people to read, mark and learn the aims and ideas of the New party if this is an indication of their left wing thinking. I seriously commend to the Canadian people sober second thought with regard to the speech to which we have just listened.

All history is written for our learning and yet we fail to take a proper interest and learn the lessons from it that we should. How soon we forget the lessons of history and how little we heed them. Today we heard of neutralism and of 25 nations meeting in Belgrade that have not committed themselves either to the west or to the east. It came as a great shock to those 25 nations when the three-year nuclear test ban was broken. They were horrified. How soon we forget Hungary, Tibet and other places in the world. How soon we forget the promises that were made two or three times in our lifetime only to be broken when the time was propitious. Eventually all nations must choose. There will be no neutralism if a war should come, which God forbid.

Nehru's neutralism received a rude shock when Tibet was attacked, a peace loving neighbour that had never transgressed against any of the other Asian peoples. All they desired to do was to live in peace with their neighbours but that did not prevent them from being overrun. We should not forget that. I was glad, as I am sure were the house and the people of Canada to hear the Secretary of State for External Affairs announce, as we have all known before, that Canada stands for peace, and also his references to the strenuous efforts that have been made by Canada and Canada's representatives to maintain peace in a troubled world.

Events of the past few days have only served to emphasize the conditions that have existed since the end of the war in 1945. An armed and jittery world jumps from one crisis to another. I ask hon. members, has Canada, has the western world created any of these crises? The answer is no. Let hon. members turn their thoughts for a moment to Czechoslovakia, Hungary, Korea, Laos, Malaya and Tibet. Berlin, of course, has always been a source of annoyance since the close of the war.

Let us not forget or fail to understand the march of events. Two world wars indicated that the United States of America tried to evade entanglement in those conflicts up to the eleventh hour. Why? Because they were a peaceful nation. They did not want to be involved in war. That has been their history. I say this because they are a peace loving people. They are our neighbours and we probably know them better than any other nation. The last resort, as far as they are concerned, is war. I hope the whole world will realize this. Consequently they and the western allies are being pushed on all fronts as never before.

Berlin at the moment—and I emphasize those words "at the moment"—is the powder keg. We well remember that the western world has always had its quislings, traitors and collaborators. We still have them with us. Let us not forget those who in the past days would sell their country to an enemy.

Last week there appeared in the London *Free Press* and I assume in other Canadian newspapers the words of a Canadian who said that Berlin was not worth the life of one Canadian. I say that is not the issue involved. If we were to sacrifice Berlin, would that guarantee peace in the world? I say it would only guarantee another crisis and then another crisis would follow as inevitably

as night follows day. If surrendering West Berlin would solve the world's problems and Russia's demands would cease, possibly we could agree; but surrender does not carry that guaranty.

Earlier today reference was made to the mass migration of people from East Berlin to West Berlin. This is a revelation to the world if it will but heed. It is to be noted that there is no great rush on the part of people from West Berlin in seeking entry into East Berlin. This points out how valuable freedom is in the eyes of many people. They are prepared to leave their homes and sacrifice all they own to seek freedom under a western regime. If the east has so much to offer, why is there no trek from west to east?

Through the inspiring statement made today by the Secretary of State for External Affairs and through the excellent speech made in Winnipeg last week by our Prime Minister Canada's position, its role and the course it should follow have been made abundantly clear. I advise all hon. members to read and re-read that speech in which the Prime Minister outlined the course we should follow. Canada has an important date with destiny if we can interpret to the east and the west the true nature of the problems facing us. Canada can be of tremendous service to the world in its search for peace. We are without territorial ambitions, without prejudices and we understand both our American neighbours and the people of the United Kingdom.

In addition we are a member of that loosely knit community of nations known as the commonwealth. The commonwealth is pledged to aid in every possible way the search for peaceful solutions. Today we hear much loose talk about colonialism, but within the commonwealth more nations have achieved freedom than through any other individual means. I do not refer to an enforced colonialism such as we see in Latvia, in other Baltic states and elsewhere. Having achieved freedom these new nations have decided of their own free will to remain within the commonwealth. I again ask all Canadians: does appeasement pay? We can go back in history and we find that history answers: "No." I again ask: Would surrender in Berlin eliminate world crisis? Again history replies that it would not; in fact, as I mentioned before the changes of increasing the incidence of crises would be greater.

May I remind the committee that all NATO nations are pledged under the United Nations charter to settle international disputes peacefully, with security and justice. NATO is not an offensive organization but is designed purely for defence. Last fall the United Nations was under fire from the Soviet bloc. It was challenged as it has never been challenged before. I believe this gave to the free world some indication of the ruthlessness of the cold war in which we are engaged.

It is interesting to note that during the founding convention of the New Democratic party held recently a motion was moved that would have had the effect of urging Canada to withdraw from NATO. This motion did not pass, but I point out to the committee that those elements are still within that party and constitute its vociferous, radical, left wing supporters. I ask whose friends they are and who is encouraged when they advocate such a move. Surely not the west.

I wish to deal briefly with NATO and NORAD, one an organization for the defence of Europe and the other for the defence of North America. As I mentioned, the challenge to the leadership of the United Nations was never so evident as it was last fall. Destroy the United Nations and what has the world to depend on for peaceful solutions of world problems? In spite of its obvious value the United Nations has been made a sounding board for political propaganda. The unprecedented attack on the organization last fall is an indication of the desire of the Soviet bloc to destroy the organization.

The Secretary of State for External Affairs has worked unceasingly for disarmament at Geneva, at the United Nations and on every conceivable occasion. How can we continue to negotiate in good faith when solemn agreements are reduced to mere scraps of paper? In spite of this the minister reiterated today Canada's desire to negotiate in a calm, dispassionate spirit with a view to finding constructive solutions to our problems.

In 1945 the United Nations charter was signed by 55 nations. As was mentioned earlier, our Prime Minister was present at that meeting in San Francisco. Today there are 100 members of this organization. If the institution is to survive and serve mankind of necessity changes will have to be made.

NATO was born as a result of the Czechoslovakian coup of 1948 and arose from the fear that Russia could and would march across Europe. One of the objectives of NATO has not yet been realized, the social, political and economic understanding among NATO nations.

Ever since the portfolio of the Secretary of State for External Affairs has been held by the present minister he has stated and restated Canada's policy that we are against nuclear testing, with no strings attached.

After three years of agreement Russia suddenly commences nuclear tests. Why, I ask. To create an atmosphere of fear. Fear is probably the greatest phychological weapon

in the hands of the Soviets and the timing on their part has been excellent. If we cannot continue to agree on nuclear tests how are we to agree on disarmament? The Prime Minister led the way in suggesting to Canada and to the world to avoid hysteria, to be calm, to endeavour to understand the grave implications, the threats aimed at Berlin and at Germany, to be reasonable but to be firm. Would retreat improve our position? Experience and history answer no. It would only serve to show the world that our pledged word to protect the rights, which the United States, the United Kingdom and the U.S.S.R. gave in 1945 and reiterated after the cessation of the blockade of Berlin in May, 1949, meant nothing; that these guarantees were of no avail and that we were not prepared to back them up. The Canadian people should consider our solemn pledges and the disastrous results of repudiation.

I listened with a great deal of interest to the speech concerning South America. The winds of change are blowing. The world envies the progress of Canada, the Americas and the west. Strangely, however, some governments somehow fail to realize that through freedom of the individual, through democracy, through the ability of the individual to enjoy the fruits of his labour, Canada and the Americas have achieved this high standard of living in fewer than three centuries. I think this is fundamental. The individual should be free and when he is free he has an opportunity to enjoy the fruits of his labour without molestation from governments.

I now wish to say a word or two about foreign aid and some other aspects of external affairs. With respect to external aid, Canadians generally approve our foreign aid policies. However, I am of the opinion that a greater number of Canadians are now questioning the effectiveness of our foreign aid policies. Canadians are generous. They approach external aid as a Christian problem but they are also beginning to ask, what have we to show for our external aid dollar? They do not believe in a Colombo plan that extends into perpetuity, I have believed in and advocated increased aid for education. How can this best be accomplished? I am of the opinion that technical education can best be carried out in the recipient countries, but that the other types of education are probably given to better advantage when the student of the recipient country is brought to Canada. I am being rather general in this, but I am of the opinion that that is the most effective method and I am hopeful that an increase may be possible in student exchange in this field of extending education to foreign lands. To those hon. members who are particularly interested in this phase of external affairs I would recommend the report of the external affairs committee where this problem was gone into in detail.

How can the rank and file of the citizens of new nations in Africa and elsewhere achieve a higher standard of living? Dams and other tangible things are spectacular but do they reach the needy people of those countries?

As I said earlier, I listened with a great deal of interest to the speech concerning South America. I am a realist and I ask how can 18 million people increase appreciably the living standards of the teeming millions living in abject poverty in other countries of the world? Unless the governments of those particular countries are prepared to co-operate and help—I know our government is—unless they are prepared to make it possible for those people to enjoy the fruits of their labour, then anything we may do may be, I fear, in vain.

Prior to this century slavery guaranteed to a few a high living standard and a subliving standard and hard labour to the others. Democracy is the opposite of this, and freedom is the answer to those problems.

I am going to add a further word about the commonwealth. I view with a certain amount of alarm and misgiving recent developments within the commonwealth. Without condoning the actions of any one country within the commonwealth, may I say the stage is being set for interference in the internal affairs of a sister nation on the part of commonwealth countries. This could wreck the commonwealth. Nothing would please the Soviets better. The commonwealth, as I mentioned earlier, is the greatest single force for peace in the world. Let us endeavour to maintain and strengthen this commonwealth and commonwealth understanding. Let wisdom and understanding prevail. The dilemma or problem of today is freedom on an orderly basis.

I have mentioned just in passing the organization of the American states. I want to compliment the minister who in his wisdom decided to be cautious and to await events. A few short months have shown the wisdom of that policy. Cuba and the Dominican Republic are in turmoil. South America is feeling the winds of change. I was interested in hearing the minister point out the vast untouched resources in South America that are there awaiting capital and labour to work out the salvation of the people. That is all our people had when they came to this country three, four or five generations ago. They had nothing else but hard labour, diligence, saving and perseverance. This is what built up the high standard of living of this country and it can do it for other

countries if the governments of those countries make it possible for the people to do so. However, when the vast majority of those people are not able to enjoy a fair share of those resources through their labour, the stage is set for communism. Governments should be aware of this fact and so arrange their internal affairs that the people of those countries can participate in and enjoy some of the resources that are on their doorsteps.

Mr. Matheson: Mr. Chairman, at the commencement of his remarks I believe the Secretary of State for External Affairs twice referred to the fact that we are meeting under circumstances of grave crisis. Crisis is a time of both calamity and opportunity. I think that this situation is very dangerous, and the situation with which we are faced in Berlin is precisely that. It is fraught with calamity and also with very great opportunity. Besides having courage, faith and sacrifice, these imperishable virtues, we need also imagination. We would hope that Canada may have a part in the creation of a solution of a situation that is dangerous and threatening to the world.

Dr. John MacMurray, speaking at Queen's University, said this:

> Freedom is our nature. But our nature lies always beyond us and has to be intended and achieved. The obstacle lies in our fear and the craving for security which expresses it. So at every crisis we are faced with a free choice between freedom and security. If we choose security, and make that our aim, we lose freedom, and find in the end that security eludes us. If we choose freedom, then we are debarred from aiming at security; for that would mean imposing our bondage upon others. If we choose freedom we may find the security we do not seek,—

I think perhaps that is helpful to us at this time. Our only safe course is the course of freedom, freedom for those people whom we have pledged ourselves to support. We can consider no other course.

Some of the members, and I remember particularly the hon. member for Kootenay West, referred earlier today to some conversations he had had with constituents this summer. My own experience was somewhat similar to his. I found there were numbers of people, men I respected and curiously enough people who were Conservative in their political point of view, who took the view that Berlin was not worth the candle. Why should we be interested in a tiny place on the map 110 miles behind the iron curtain, north of Czechoslovakia and very close to the Polish border? I was interested to note that the people who expressed these views happened to be veterans either of world war I or world war II, and in most instances world war I. It occurred to me that perhaps hatreds of years gone by and the experiences gained in war had to some extent coloured and influenced thinking on this matter.

I have heard other suggestions. I heard a suggestion from the engineer of an important industry in the town in which I live. He suggested that a bold approach might be made through a nation such as ourselves to have Berlin established as a subsidiary headquarters of the United Nations. I heard a number of competitors in the closed Canadian chess competition this past week say no, Berlin is vitally important. We know middle Europe and we know the reaction of many people behind the iron curtain to any abandonment of the present position in Berlin. All these factors influence us at this time. We cannot fail to remember the various steps of appeasement that were taken prior to world war II aimed at security, which did not achieve security at all but brought us into total war. Surely, with these matters in mind we must take the position that there can be no other course for us but to support fully the position to defend Berlin against any attack.

On the other hand, let us be fair and reasonable and have perhaps a more open mind than has been displayed at all times by our great friends and relatives to the south of the line. I am reading now from an article by Dr. Louis Fischer entitled, "The Soviet-American Antagonism". This article was written in July, 1959.

> In the last ten years a million east Germans have escaped into West Berlin. During 1958 alone 240,000 east Germans fled into West Berlin. We know the figures because when they come into West Berlin they report for relief and for transportation to west Germany, and they are counted. Of the 1958 fugitives, 200 were university professors; 3,100 were school teachers; and 1,200 were physicians, dentists and veterinarians. It is reported that east Germany has been recruiting Czech and Polish physicians for their hospitals. The exodus from east Germany via West Berlin is continuing at the rate of 20,000 a month.
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> This river of human talent is not only a serious drain on east Germany with its 17 million inhabitants, it is the worst kind of propaganda mark for communism everywhere in the world. It disrupts the stability of the east German regime. The freedom to escape is a freedom; and a totalitarian regime cannot tolerate such a freedom.
>
> That is why Khrushchev wishes to close the escape hatch; to sew up this rent in the iron curtain.

This man who has been a recognized student of this situation, who lectured in New York, tells us that the situation from the Russian point of view has become exceedingly serious. We ought to recognize this. Doubtless in the past two years the situation has become even more aggravating from their standpoint.

A little farther on this article says another thing that we might consider of interest. Again, I point out that the author is speaking of the situation two years ago. He says:

The west is not going to withdraw from West Berlin. Some are frightened by this prospect. But it is well not to panic. Stalin tried to take West Berlin in 1948; and when he was stopped by the western airlift, he did nothing. The Chinese communists have tried to take Quemoy and Matsu, to which I think they are entitled; but when they met opposition, they stopped. Khrushchev, in February 1958, created a Turkish-Syrian crisis in his experimental laboratory; but when nobody flinched, he did nothing. At the time of the Suez crisis, Moscow threatened to fire missiles at Great Britain. Go back to the time of that threat, the actual date and circumstances; I think it was a bluff. In any case, when the Americans actually landed in Lebanon, there was no Soviet countermove.

I say, Mr. Chairman, that if we stand firm it may be that there will not be a war. In any event, stand firm we must. On the other hand, we have to realize that this is a serious problem, a problem which has been irritating a great power, the Soviet union. It is a situation which surely has been irritating some Germans, while it has been a matter of great satisfaction to many others. Perhaps Canada is the kind of country that can give to the consideration of this subject some greater flexibility than is possible for a major power like the United States. This penetration, so close to Poland, runs north of Czechoslovakia and could be a tremendous opportunity. Surely, the only answer to getting out of this dreadful situation of cold war is a penetration of a character that is not going to disrupt and cause trouble but is eventually going to work out in some happier relation. It seems to me that our non-nuclear troops have to be there and take whatever position we have to take at this time in order to see it through. Then this thing, God willing, will work itself out.

In this situation we have to be capable of self criticism. I am not satisfied we always have been in the past few years. Governor Stevenson spoke of self criticism as being the most important matter for a democracy. He called it the secret weapon of democracy. There has not been enough self criticism of ourselves and when I say that I mean, of course, ourselves and our neighbours.

There are certain facts that we should remember here. In the long history of affairs between Russia and Canada, with the exception of the Bering sea dispute of a number of years ago I think there has not been anything in the nature of armed conflict between our countries. This nation of Russia came into being by revolution in 1917, the year of my birth. It is a very young nation. Hon. members will recall all the irritations they have suffered, including attack by western powers, non-recognition, etc. We of course do not agree with their philosophy and we must oppose them on many counts. However, I ask the Secretary of State for External Affairs this question. In these negotiations that take place, can we dare to forget the fact that Russia, in world war II sustained losses in casualties equal to the total population of Canada, that they fear Germany today and that there are realistic reasons why our attitude should be wise and considered? If a man as able as the one who spoke to me, and who is held in high regard in the Conservative party in my riding says to me, "No; these Germans are people who presented problems to the world in the past and we must watch them", then having him in mind, one who served in the Canadian forces in two wars, as did all the principal speakers in this debate, I would say that we must have some earnest sympathy with the Russian position and we must tread carefully and work with them to see whether there is not some possibility of reducing this situation to more favourable terms.

We must remember that this great nation we love—and I refer to the United States—was actually the author of the bomb, the nation that for its own purposes and in its own wisdom, dropped the bomb and destroyed two great Japanese cities. This is the nation which sent the U-2 flights over Russia not so very long ago and which under a dedicated and idealistic young president invaded Cuba. We are their best friends, and we are their best friends if we are honest friends and if we are prepared to assume slightly independent views.

It seems to me passing strange that we have an administration that was swept into power in this country very substantially through taking the position that there were certain respects in which Canada was adversely affected by the United States in economics and business, but when it comes to this important area of international affairs, they take the view "Wherever you go, we will go too and we will do exactly what you do". We are not serving the best interests of our best friends the Americans by taking a subservient role of such a character. I think this is a moment demanding truth. I think that rudeness between Canada and Russia, whether by speeches in the United Nations or anywhere else, does not serve any useful purpose at all. I think we must pause and consider that with all its recent scientific and technical achievement Russia has not received one kind word of congratulation or praise from our side. There has not been one case that I know of in Canada where any courtesy or kindness has been shown to Russia or any Russian dignitary. We almost look the other way if a Soviet personage passes through our country. We recognize that these are people that may destroy us. But the only way in which to defeat this dreadful situation that

is building up, with strontium 90, this radiation hazard that may affect future generations even if war does not come, is by penetration, by some measure of understanding, by being as good neighbours as possible. We have heard so many speeches delivered in Canada that they have almost become cliches about our role as the golden link between Britain and the United States and at other times between the United Kingdom and France. This has been the role that we like to talk about as being the destiny of Canada. Is it not possible that our great destiny may be to become a hinge between the neighbour to the north and the neighbour to the south. I think this is not impossible if we think widely and broadly in terms of the future. I do not like to hear remarks passed critically, as they have been at various times—I am not referring to tonight but at other times—of Prime Minister Nehru. I would feel that in the field of international relations when Canada pulls far away from India we are going to be in trouble. I agree with the proposition that perhaps there cannot be serious interference by one commonwealth state in the affairs of another.

There was reference tonight to Archbishop Makarios of Cyprus. I remember a conversation I had some years ago with the then secretary of state. At that time I was quite exercised about the Cyprus dispute and was asking questions of this man of importance in world affairs. I asked him about Cyprus and why we did not take a stronger position with respect to Cyprus. I well recall the answer he gave me at that time. He said, "Yes I can understand your feeling about Makarios but I believe the only way you can win these people is by understanding them, by giving a bit. By yielding here and there. If Britain yields at the right time with regard to Makarios I think that one day Cyprus will be part of the commonwealth. Going back to what was said by the hon. member who preceded me, I think the fact is that at the sad moment when South Africa was read out of the commonwealth the new nation of Cyprus under Makarios came back in. With goodwill, understanding and patience all things are possible. We must be flexible. We must realize that hatred of other people is not going to add anything at all. There is another point I wish to make. A few years ago in Kingston there was an opportunity to hear a man by the name of Rudolph Pechel, a distinguished editor and publisher in Germany. He was one of the freedom fighters. He pointed out that it was extremely difficult for the Germans to get any kind of support in resistance to the Nazi tyranny from any source at all. He said that people did not want to believe that there was a resistance movement in Germany. He concluded his remarks in the Charles Dunning trust lectures, by saying that we should keep this matter in mind when we consider the youth of eastern Europe. Surely this is one of the factors why Berlin is significant, because of our link with these people who need hope. May I briefly refer to something that has been said by our good friend Alastair Buchan. He speaks with authority of this critical moment when military instruments, while still a reality of political conflict, have taken on a life of their own and have become a separate source of tension and danger. This, of course, is well handled by the article of Kenneth McNaughton in "Canada Must Get Out of the Arms Race". We earnestly congratulate and support our distinguished Secretary of State for External Affairs for his leadership and tenacity and his assurance that we will continue in this position. I hope our resistance to atomic weapons becomes inflexible. Surely the only way in which to resist this nuclear force is with moral force and with gallant troops who are prepared to take their stand with conventional weapons alone and to meet the challenge wherever it comes as free men, symbols of a large United Nations family. May I conclude with these words of Alastair Buchan, the distinguished son of a beloved governor general of Canada. He said this:

> —we are on the edge of a fundamental change in the world balance of power as it has existed in the last 15 years, and that the axis of world tension is about to shift from "East-West" to "South-East—North-West," or even to "North-South". If so, there is no time to be lost, given the inevitable time lag in the adjustment of governments and policies to reality, in seeking to identify the areas of common interest with the Soviet union. It would be one of the major tragedies of world history if two powers the size of Russia and the United States were to remain locked in a position of implacable hostility because of their inability to overcome the barriers raised by competing military technologies after the political basis of that hostility had been transmuted into something approaching a common cause against new dangers.

Surely our only possibility of hope in Canada is that we will come through this crisis; that men will experiment with their new toys and will mature and learn to love one another. Our position must be one of dignity, courage, flexibility and understanding. It should not be that of the honest broker, because we are not that important. Perhaps one course in external affairs would be to take a man like "Rocket" Richard and give him a few thousand dollars to take his friends on a tour of Russia.

After all Russia, this common enemy, is the country we admired a few years ago. It is the country of Tolstoi, Chekhov, Dostoyevsky, the country of music and art. We must remember that nothing is impossible. Just 21 years ago we had another enemy,

and before that again we have had other enemies. We now face a crisis, a calamity and an opportunity. We may emerge, with our respected Secretary of State for External Affairs playing a creative part in the solution of the horrible and fearful problem which faces the world today.

(Translation):

Mr. Pigeon: Mr. Chairman, I should like to talk about a trip I made last year. As a member of a Canadian delegation, I went to Tokyo for the 49th conference of the international interparliamentary union.

After the conference, my wife and I, accompanied by the hon. Senator and Mrs. Dessureault, went to Taipeh for a visit to Formosa. It was the first time that a Canadian member of parliament visited Formosa.

We were given a hearty welcome. During the few days we stayed in Formosa, we were able to visit this beautiful island. We found that a total and complete freedom prevails there, unlike the situation in red China where persecution exists and where many missionaries, both Catholic and Protestant, as well as from other denominations, have given their lives, having been killed, shot or imprisoned.

In Formosa, we met Generalissimo and Madame Chiang Kai-shek. We were greatly impressed by everything we saw but what struck me most during that trip in the Orient were the land reforms which were instituted both in Japan and in Formosa without any persecution or bloodshed. Those land reforms bear a marked contrast with the ones which were carried out in red China where communes were organized by means of persecution.

Mr. Chairman, I am speaking in my own name and my observations are in no way binding upon the government, but I must admit that I was surprised to notice that Canada has no embassy in Formosa while free China has had an embassy here, in Ottawa, for many years.

There is some talk these days about Canada's recognition of red China. Some members have mentioned it. As for myself—this, again, merely reflects my own opinion—I would not be in favour of Canadian recognition of communist China, as we believe in opposite principles. We are associated with friendly countries, we fight for peace and freedom. That is why I feel we would be discouraging other nations, especially those of southeast Asia, if this country were to recognize red China.

I was quite surprised to see those 12 million Formosans make every sacrifice and labour for peace in order to reconquer their mother country at present under the yoke of a dictatorial government.

I think it would be unfortunate if this country should recognize communist China. We must prefer the Washington leadership to that of Havana. Besides, if we recognized red China, our relations with the United States would become rather shaky.

Mr. Chairman, I would like to take a few minutes to state some of my reasons for opposing the recognition of red China and its admission to the United Nations.

1. There is not one provision of the United Nations charter that has not been violated by red China.

2. That country has not yet made peace in Korea with the United Nations forces. It is impossible for the United Nations to accept a government with which, under international law, it is still at war.

3. Red China is supporting in all southeast Asia the case of North Viet Nam. Attacks on Viet Nam were made by that country as well as raids in India beyond its border.

4. Red China is charged before the United Nations with committing genocide in Tibet.

I think it is impossible to accept within an international organization dedicated to the promotion of peace among nations by means of negotiations and not war, a country whose chief states that the only power is the power of the gun.

Because of historical circumstances, the Russian empire with its Soviet colonies is a member of the United Nations and already their foundations are being shaken by propositions which would bind that organization hand and foot.

When Mr. Boland, chairman of the general assembly, broke his hammer calling him to order, Mr. Khrushchev stated himself that it was a symbol of the weathering of the United Nations.

If with the presence of the U.S.S.R. at the United Nations deliberations are already pointless, it is not desirable to admit a country like red China. If red China were admitted to the United Nations, I believe it would mean the end of that organization. I am in favour of an international organization that renders tremendous service to all nations, especially through its subsidiary organizations such as UNESCO, FAO and WHO.

I cannot see how we can admit red China to the United Nations, for it would be a terrific blow to free China, which has always respected the charter of the United Nations and which is constantly threatened by red

China. By admitting communist China, the U.N.O. would bring about its own destruction. It would mean the prelude to a first class funeral for the United Nations organization which would have been the first to depart from the spirit as well as the letter of its charter.

Hon. Senator Dessureault and myself have immensely enjoyed our visit to Japan and free China. We were in a position to realize the importance of Formosa to the countries of southeast Asia. In my opinion, the defence of Formosa is not only vital to the survival of free peoples, but also necessary to check communism in southeast Asia. If, by any chance, Formosa were not supported, I think we would lose much and that all countries in southeast Asia would fall prey to communism.

Mr. Chairman, I wanted to make those few personal remarks as a token of gratitude to the government of free China that welcomed us so kindly.

(Text):

Miss LaMarsh: Mr. Chairman, it was not my intention originally to intervene in a debate of such importance and I do so with considerable temerity. I do so not as a statesman, not as one who is learned in the field of foreign policy but as an individual Canadian who has gained most of her information through the public press, through pronouncements made by this administration and by those of other countries and from news stories. In the intervening period of adjournment I attempted to ascertain from the people with whom I came in contact both in my riding and elsewhere the feeling of the Canadian people with respect to the crisis in Berlin, which was really little more than a small cloud on our horizon when we left this green chamber in July and which has grown horrifyingly to such proportions and to such an evil colour.

I cannot say that during the weeks of adjournment I have been able to find unanimity even among my own people, much less among the many other people throughout the country to whom I have spoken. Therefore I do not attempt to speak for all Canadians, for all of the people of my riding or indeed, Mr. Chairman, even for a majority of them.

There is no question that this debate into which we are launched on the first day of our return has within it the seeds of the most critical discussion that has taken place not only during this session but in this parliament and perhaps in any other parliament. Rather than the debate ending with too few people intervening, I would hope that most members of the house would attempt to search their consciences and to give the government what it deserves, their best view with respect to their opinions and the people's opinions. I do not approach this matter in a partisan way. Survival or failure to survive is not a question of party politics. Indeed, in many ways it is not even a matter of nationalism or internationalism. Perhaps those who serve in this parliament and in other parliaments or congresses of the world have now to deal with the most important problem of all.

May I humbly associate myself with the remarks of many of those who have already spoken and particularly with those of the hon. member for Leeds. For us in Canada who have never felt bombs rain on our heads, who have never seen children without heads or arms lying in the streets, who have never seen our public monuments and our homes lying in rubble around us, for us in Canada, some of whom have worn a uniform but the majority of whom have learned about these things through news reels, films and from the press, it is easy to be rigid. It is easy for us to say that some place we will draw the line and stand and fight. I would think that many Canadians of my generation who once wore their country's uniform are prepared once again as Canadians, regardless of ethnic background, regardless of the part of the country from which they stem, to don the uniform of the Queen if their country calls them; but with what cold horror they would do so. I do not think they would do so this time with the feeling that there would be something of peace that could be won.

I recall when the first atomic bombs appeared on the scenes toward the end of the last war and first came into our common lexicon. Many people ignored them and said that in the last war the horror of gas was not used and mankind would never stoop to use atomic warfare. Yet here we are today four years from the time when we began to see what we could do with nuclear power for peaceful uses, four years this month from the time when the U.S.S.R. put its first sputnik into space. We have come the full cycle in a few short years in this country and the world, to the point where what we are actually discussing is whether those who sit in this chamber and those they represent will be here a year from now.

There are those who say with respect to the question of survival that there will always be some who will survive and they can start again. The essence of this debate with respect to Berlin must come down to this. Do we risk our future, the future of everyone in the world, the uncommitted nations, the committed nations, those millions of people in the world who do not even know that there is a Berlin much less that

there is a crisis over it? Must we decide now which it will be? In my very humble opinion, Mr. Chairman, I think not.

This afternoon the Secretary of State for External Affairs made a brief statement and I must confess that to begin with it was disquieting to me, because the things for which he said Canada stood were things with which I think there would be no quarrel. He said that Canada stood for peace, for doing away with nuclear weapons, for banning tests, for supporting the United Nations and for supporting our treaties, including NATO. I would think that no country and no individual in a country could in fact disagree with those statements. So I was dissatisfied, as I think many in the country might be dissatisfied, to think that here was no leadership, here was no banner unfurled, here was nothing decisive.

In the past few weeks Canadians have become more and more apprehensive. What will be done? Most of us who are in parliament have had telephone calls and letters and are approached on the streets. Will there be war? What is it all about? How did it come to pass? Where are we going? There is an old Scottish air, "I know where I am going". I think most individuals like to feel that they know where they are going and all individuals like to feel that their government knows where it is going and where it is leading its people.

So at first blush at least I think the speech of the Secretary of State for External Affairs today may have been received coolly and with disappointment in the country. But even in the few short hours since then it may have been borne in upon Canadians, and will be if all members participate in this debate, that it is not so simple to say, "Here is what we stand for; this we negotiate and this we will not."

Earlier today the hon. member for Essex East did say that in our view some things with respect to Berlin are not negotiable, and when I say "our view" I mean a Canadian view and perhaps a western view. We will never be false to ourselves or other free men around the world. I do not think anyone now in Canada would choose that its leaders should be false to that principle. It is not enough to go into a grocery store and to have someone who is worried about the future of mankind say, "I will not defend that German city, I will not defend Germany, I fought once to destroy Germany". There are echoes in this country from people who said, "I will not fight to defend Britain." It may be that another time we will have those who will say, "I will not fight to defend France, I will not fight to defend the United States."

[Miss LaMarsh.]

Luckily or not, we do not have to answer that question any more because there is no longer any question of fighting to defend Germans, or a tiny city or even part of a city that happens to lie inside East Germany. What we are asked to stand up and be counted for is where we stand in the matter of freedom.

Freedom is a word that is much maligned. It perhaps means different things in the mouths of various men and women. Mr. Khrushchev in his speeches says that he stands for peace and freedom, and I suppose he does.

The greatest and most critical danger that we now face is something which the orientals call a possibility of loss of face. It is possible that the two protagonists, the United States and Russia, will adopt a rigidity of position in which one or the other must, willy-nilly, cause a war. It does not matter whether the war commences with nuclear weapons or whether it arises from someone on one side of the border using a hose and someone on the other side using a gas or smoke bomb. I think everyone is conscious of the fact that it does not matter how the conflict commences. The United States once felt that it was better to bring an end to the holocaust of world war II by using a nuclear weapon and it appears likely that in the event of another conflict one of the two parties would feel justified in doing the same thing. Whether war begins with sticks and stones or even with mere insults it will lead inevitably to a war that will destroy all humankind. We must not let this happen.

Prime Minister Nehru speaking at a recent meeting referred to the uncommitted nations. He said only what all men know, that Canada is kidding itself if it says it can alter present circumstances, if it takes the position that it can push the parties apart and make them decide the way it wishes them to. Mr. Nehru cannot do it on behalf of India nor can our Secretary of State for External Affairs on behalf of Canada.

Perhaps the greatest thing we can do is this. We can search our consciences to determine where we stand and, knowing this, be firm. Then as a nation, through our administration and its Secretary of State for External Affairs, we must do everything and anything to keep open the door to negotiations. It may be that we ourselves cannot effectively contribute to negotiations. It may be that we ourselves cannot offer guidance that will lead to the successful settlement of the problems under negotiation. Perhaps at this stage our only position is to keep fluid the situation, keep open the door, keep the parties meeting at all costs.

We know that at one time Japan and the United States were meeting, yet war broke out. It appears from the events of the past week which saw the resumption by the U.S.S.R. of nuclear testing that the moral indignation of the world may not really be enough to forestall the end for all of us, but while the two nations are negotiating the chances are relatively slender that the end will come. Therefore, perhaps the policy enunciated by the Secretary of State for External Affairs this afternoon was the wisest kind of policy in that the hon. gentleman did not take a rigid position except in terms of that for which Canada stands. He did not say what Canada is against. The minister was careful, discrete and cautious. Mr. Chairman, I am not careful, discrete and cautious. I am a different type of person. It was for this reason that I chose to listen to the debate this afternoon and did not intervene.

I have listened to and spoken with the people of Canada whose understanding of the facts confronting us is perhaps imperfect but whose emotion and feelings will have to lead them to follow their leaders in this administration or another or hold back. The people with whom I have spoken feel that perhaps the best Canada can do is not to permit the boat to be rocked, not to permit the door to be closed.

Perhaps we thought in Canada a few years ago that, with our increased status in the past 20 years or so as a large industrial nation, one recognized internationally, we enjoyed and could maintain a position in which everyone would listen to us. We have told ourselves over and over again that this was the case. Our leaders in the universities, in politics and in other fields have assured us that we are not a colonial power and never were and therefore we are the rightful people to lead the uncommitted and non-colonial free nations.

I heard one hon. gentleman refer this evening to Canada's destiny. He spoke of manifold destiny and of viewing the future with alarm. These are imported terms and really mean nothing. No nation has a destiny that is preordained. The nation has what the guts and blood of its people cause it to have. At every course there is a turning for nations as there is for individuals. Sometimes, as a great poet once said, they also serve who stand and wait. Perhaps what is necessary for Canada now, Mr. Chairman, is to stand waiting as a nation holding open the door. Perhaps at this time we should not call for a definite flaming policy to follow. Perhaps part of our maturity lies in the recognition that we are largely a Christian nation which believes it has right on its side and in not seeking to impose our will on others. Perhaps we should only ask those we have befriended in the past in war and peace and those we are prepared to befriend in future, whether they lie to the north, south, east or west, to join hands and continue talking in an effort to seek constructive settlement.

It may be that the people of Canada will find their destiny, in this hour at least, not in shooting or in standing toe to the line and daring others to cross it, or in rattling sabres, or in increasing military might, or in deciding to prepare ourselves for a great war, or in hiding our people in holes in the ground, or in deciding to use a bomb, but in deciding that the whole moral and spiritual force of this country must be brought to bear in an effort to keep open all avenues of negotiation. Perhaps all we can do is to assist in having the protagonists in this gigantic struggle continue negotiations. We must do all that we can to prevent the increase of tension that can lead to inevitable destruction.

The thoughts I have endeavoured to express may be viewed by some as muddled thinking. There are those who call on the government to give us not just a policy but a detailed plan of action involving means by which we can impose our policy on the world. There are others who take the position of saying, let us become neutral; let the big boys decide this one; we will survive or perish with them. Let us be this link of which the hon. member for Leeds spoke, this linchpin, I think Mackenzie King called it, at a time when Britain and the United States were engaged in an equally critical struggle. Let us be the linchpin between the two forces and let us pray God, Mr. Chairman, that nothing breaks asunder that linchpin.

Mr. Macquarrie: Mr. Chairman, I wonder whether you will call it 10.30 o'clock?

Some hon. Members: Agreed.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Martin (Essex East): What is the business for tomorrow?

Mr. Churchill: We will continue tomorrow with the discussion of the estimates of external affairs.

At 10.30 p.m. the house adjourned, without question put, pursuant to special order.

Questions

ANSWERS TO QUESTIONS

The following answers, deposited with the Clerk of the house, are printed in the official report of debates pursuant to standing order 39:

SOUTH AFRICAN WITHDRAWAL FROM ILO

Question No. 271—**Mr. Martin (Essex East):**

What are the reasons that Canada abstained from voting on a Nigerian resolution calling on South Africa to withdraw from the ILO, as reported in the press June 23?

Answer by: **Hon. Howard C. Green (Secretary of State for External Affairs):**

The Nigerian government delegation to the ILO conference submitted a draft resolution condemning the policy of apartheid in South Africa and proposing that the governing body advise South Africa to withdraw from the ILO.

Canada has made clear its disapproval of apartheid and its hope that this policy may be modified. It is not likely that such a modification can be brought about by actions calculated to force South Africa out of international bodies, thereby further isolating it from the international community and from changing ideas and world conditions. Thus in the United Nations general assembly Canada opposed the imposition of economic and other sanctions against South Africa, but supported a resolution which emphasized, in a moderate and responsible way, the widespread international concern over apartheid. Similar considerations would seem to apply to the Nigerian proposal in the ILO.

In the resolutions committee and in the plenary session of the international labour conference, Canada supported that part of the resolution condemning apartheid but abstained on the resolution as a whole, which called for South Africa's withdrawal from the international labour organization.

In addition to Canada's general position on this matter, there are other important considerations having a particular bearing on the situation as it arose in the international labour conference. First, there is no provision in the ILO constitution by which a member state can be forced to resign. Second, the Nigerian resolution might well serve as a precedent for similar resolutions seeking the withdrawal from the ILO of other countries whose political and economic policies are considered objectionable by some members. Third, South Africa has ratified a number of ILO conventions, but as a non-member country is not subject to the disciplines and responsibilities inherent in ILO membership, its withdrawal might not be in the best interests of the South African workers.

ANGOLA—CANADIAN PROTESTS AND ASSISTANCE

Question No. 272—**Mr. Martin (Essex East):**

1. Is the government prepared to express publicly and forcefully the horror of the Canadian people at the brutal measures of repression being practiced by the Portuguese authorities in Angola?

2. Has the Canadian government given any assurance to the Portuguese government that Canada stands ready to assist in creative programs for the welfare of the people of Angola?

3. Is the Canadian government prepared to aid the tens of thousands of Angolan refugees who have been forced to flee to the Congo?

4. Is the Canadian government assisting in United Nations efforts to aid these refugees?

Answer by: **Hon. Howard C. Green (Secretary of State for External Affairs):**

1. The government, through its support of general assembly resolution A/RES/1603(XV) of April 22, 1961, has expressed its concern about the situation in Angola.

2. The Canadian government is awaiting the report of the United Nations sub-committee on Angola and in the light of that report will consider what further action might usefully be taken.

3. No international appeal has been launched for the Angolan refugees to which the Canadian government has been asked to contribute.

4. Angolan refugees in the Congo are receiving assistance from international organizations such as UNICEF and the league of Red Cross societies. The Canadian government makes an annual contribution to UNICEF as well as other United Nations organizations in the Congo, and contributes indirectly to the league of Red Cross societies.

CANADIAN MILITARY AID TO PORTUGAL

Question No. 273—**Mr. Martin (Essex East):**

1. Will the government assure the house that there will be no sale or transfer of Canadian arms or other military equipment to Portugal while present Portuguese policies persist?

2. Is the government fully satisfied that none of the military assistance provided by Canada to Portugal has been of even indirect assistance to Portugal in her military operations in Angola?

3. If not, what steps are being taken to ensure that Canadian military assistance already supplied to Portugal is not directly or indirectly to support Portuguese military operations in Angola?

4. Is the government fully satisfied that none of the Portuguese airmen trained in Canada under Canadian mutual aid have been sent to Angola?

Answer by: **Hon. Howard C. Green (Secretary of State for External Affairs):**

1. Canadian policy in respect of the supply of mutual aid to its NATO allies, including Portugal, was stated by the Prime Minister on June 22 in reply to a question asked by the hon. member for Essex East, and by the Secretary of State for External Affairs on June 28 in reply to starred question No. 431.

No shipments of Canadian mutual aid equipment have been sent to Portugal since November, 1960. There have been no commercial sales of munitions to Portugal in the last two years. As far as future mutual aid shipments or commercial sales are concerned, these will be determined in the light of the circumstances prevailing at the time such requests are received.

2 and 3. The Canadian government cannot, of course, maintain physical control over disposal of mutual air equipment once title has passed to the recipient country. If, however, it became known to the Canadian government that mutual aid equipment was being used by a receiving country in such a way as to contravene the understanding mentioned in the Prime Minister's reply of June 22, the government would have to review its position regarding the supplying of mutual aid to that country.

4. No information is available.

CAPE BRETON—EMPLOYMENT IN NATIONAL PARK

Question No. 283—**Mr. Pickersgill:**

1. How many men were laid off on May 30, 1960, in the Cape Breton Highlands national park from each of districts 7A, 7B, 15 and 8 respectively of Victoria county, and how many of the men laid off from each district were married?

2. Why were ten single men employed in districts 7A, 7B, and 15 and none in district 8 as recorded in the answer to question No. 252 at page 6686 of *Hansard*?

Answer by: **Hon. W. G. Dinsdale (Minister of Northern Affairs and National Resources):**

1. None.

2. We are most anxious that there should be maximum employment opportunities in the area. To this end and to spread the available work among as many as possible in the local labour force, we have adopted the practice of changing the work crews from time to time. When the last rotation was made there were, I am advised, a number of single men living in districts 7A, 7B and 15 of Victoria county, some with dependents, that were in need of work. I am advised this was not the case in district 8.

HALLS HARBOUR, N.S.—FEDERAL EXPENDITURES

Question No. 287—**Mr. Robichaud:**

1. Have any funds been provided through any vote of the Department of Public Works for expenditures at the public harbour at Halls Harbour, Kings county, Nova Scotia, for any of the last four fiscal years?

2. If so, what amount of such funds has been spent, and in what year?

Answer by: **Hon. D. J. Walker (Minister of Public Works):**

1. Yes.

2. 1957-58, repairs to west breakwater $2,059.87. 1958-59, repairs to west breakwater $864.44. 1959-60, repairs to west breakwater $617.17.

In the present fiscal year, funds were authorized for driving test piles and undertaking repairs. To date, approximately $24 has been expended in this regard.

ELEVATOR OPERATORS, PARLIAMENT BUILDINGS

Question No. 289—**Mr. Lessard:**

What are the names of the elevator operators hired between July 1, 1957, and July 1, 1961, who are still being employed as such at the present time in the parliament buildings, including the buildings known as the east and the west blocks?

Answer by: **Hon. D. J. Walker (Minister of Public Works):**

Elevator operators are not hired specifically for the parliament buildings but may be moved about between government buildings in Ottawa as required. The following were engaged as elevator operators between July 1, 1957, and July 1, 1961, and are now working in the parliament buildings including the east and west blocks:

Name	Date Appointed
P. Lafleur	24-2-58
G. Jacques	2-5-58
J. Blanchfield	8-8-58
J. L. N. P. Carrier	16-10-58
W. Thompson	27-10-58
G. Quinney	9-2-59
J. Greene	4-5-59
J. Dewitt	29-12-59
H. Perron	4-3-60
E. Carron	17-3-60

HOUSE OF COMMONS

Friday, September 8, 1961

The house met at 11 a.m.

BUSINESS OF THE HOUSE

SUSPENSION OF SATURDAY SITTINGS FOR TWO WEEKS

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, as the house is aware, on May 8, 1961, as reported at page 4494 of *Hansard*, I made a motion with regard to the extended sittings of the house, as follows:

That on Saturday, May 13, 1961, and every Saturday thereafter until the end of the session the order of business and procedure shall be as for Thursday, a government day.

I think there has been general agreement that a continuation for the next two weeks, in any event, of Saturday sittings would not be necessary. We have to think of the welfare of those connected with the administration of the house. Discussions have taken place among representatives of the government, the opposition and the third party in this matter, and I am very happy to say that an agreement has been arrived at.

We are now dealing with a most important matter, the question of external affairs, to be followed by the estimates of defence, and the house has shown an anxiety and a desire to proceed with these two very important matters without delay. Under normal circumstances on Monday and Tuesday there would be a motion to go into supply in order to open up the other four departments that have not yet been opened up. There has been agreement that the motion will be made and the departments will be opened up on Monday without debate, thereby enabling the house to proceed unbrokenly with the business before us, which concerns all of us. The attention paid by hon. members of the house and the manner in which the debate was conducted yesterday indicate the desire of all to do everything possible to meet the situation that we face.

In view of that agreement with respect to going into supply I move, seconded by Mr. Churchill:

That the operation of the provision of the resolution adopted by the house on April 24 last concerning Saturday sittings, which reads as follows: "Saturday: 11.00 a.m. to 1.00 p.m.; 2.30 to 6.00 p.m." be suspended for the next two Saturday sittings and that when the house adjourns today and on Friday next it shall stand adjourned until the following Monday at eleven o'clock a.m.

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, the procedure which the Prime Minister has outlined and the motion which has just been put to the house is quite agreeable to us. Indeed, it has been the subject of discussion among all parties in the house. The reading of the motion, Mr. Speaker, reminds us that it was as far back as April 24 when we changed our rules to permit these long hours, including Saturdays, and that in turn reminds us that during this time the house was sitting, the staff and officials who serve the house have been working under very great pressure indeed, and very effectively in spite of the pressure.

I think, among other things, this motion will serve to relieve that pressure. In the terms in which it has been put before the house it will not, I think, slow up or postpone any of our deliberations. Perhaps, by giving us a little more time on Saturday, if we are not engaged in other activities on Saturday afternoons, it will permit us to prepare for the debates in the subsequent week. We are entirely in favour of it.

Mr. H. W. Herridge (Kootenay West): The members of this group wholeheartedly support the proposal made by the Prime Minister for this change in our procedure at the present time. We believe it will do something toward promoting the efficiency of parliament by giving members a little more time to do the things that are necessary. We believe it indicates some rather belated consideration of the staff, and it will also be to the welfare of the gentlemen and others who are members of the fourth estate.

Motion agreed to.

Mr. Speaker: Perhaps the further matter mentioned by the Prime Minister might be made the subject of a unanimous order at this time so there will be no uncertainty on Monday when the sixth supply motion is called. I understand that the house is prepared to order that when the sixth supply motion is called on Monday next it shall be disposed of without amendment or debate.

Some hon. Members: Agreed.

Question of Privilege

PRIVILEGE

MR. STARR—CONGRATULATIONS ON BIRTHDAY ANNIVERSARY OF COLONEL R. S. MCLAUGHLIN

Hon. Michael Starr (Minister of Labour): I rise on a question of personal privilege, and I shall be very brief. I do wish to bring to the attention of the house the fact that today marks an event in the life of a great Canadian, a Canadian who has been a pioneer in the automobile industry in Canada. This man has been philanthropic and generous to his native city of Oshawa and to Canada as a whole in an endeavour to better the life of his fellow Canadians. He has contributed a great deal to the development of Oshawa. He has set up a foundation for the medical training of Canadian doctors abroad. A further outstanding contribution has been the financing of the mechanical engineering building at Queen's University, Kingston.

These are only a few of his many contributions. I refer to Colonel R. S. McLaughlin of Oshawa who was born at Enniskillen, Ontario, on September 8, 90 years ago today. I am sure that those who have been acquainted with him, as friends and in business, wish him health, happiness and many more years of life.

Hon. Paul Martin (Essex East): Mr. Speaker, while the procedure is somewhat unusual, the minister having taken the initiative in this matter I should like to associate the Liberal party with the tribute paid today to Mr. Sam McLaughlin, the founder of the McLaughlin Motor Car Company, who has had some 74 years of association with General Motors Corporation and the McLaughlin Company in Canada.

Representing as I do the constituency which is more widely engaged in the production of automobiles than any other section of our country; in view of the fact that there is a General Motors plant in Windsor, and in view of the fact that there is as well in that city the Ford Motor plant and the Chrysler Corporation plant, I am happy to join with the minister in extending a tribute to Mr. McLaughlin today. He is a great Canadian who has performed valuable services to his country and to his company. I hope that on his ninetieth birthday it will be possible for the government to announce some decision to implement the Bladen commission report.

VACANCY

Mr. W. H. McMillan (Welland): Mr. Speaker, I hereby give notice, pursuant to section 10 of the House of Commons Act, that a vacancy has occurred in the representation of the House of Commons for the electoral district of Waterloo South in the province of Ontario by reason of the death of William Anderson, the member therefor.

TRADE

URANIUM—INQUIRY AS TO NEGOTIATIONS WITH UNITED KINGDOM

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, I should like to ask the Acting Minister of Trade and Commerce if he can explain to the house the delay in bringing to a conclusion and formalizing the uranium contract with the United Kingdom, and in the allocation of uranium under that contract, in view of reports that workers in the uranium centres are being let out because of this delay.

Hon. Gordon Churchill (Acting Minister of Trade and Commerce): Mr. Speaker, the Minister of Trade and Commerce left with me the following information which constitutes a reply to the question. On June 29 last, in reply to a question from the Leader of the Opposition, the Minister of Finance stated that following the departure of Sir Roger Makins, representing the United Kingdom atomic energy authority, arrangements were being made for continued discussions at the official level. Following these discussions certain proposals and counter proposals have been exchanged with regard to price and other conditions. At present we are awaiting the views of the United Kingdom authority with regard to the latest proposals.

Mr. Pearson: A supplementary question, Mr. Speaker. In view of the seriousness of the situation will the government take every possible step to impress on the United Kingdom authority the desirability of concluding these arrangements at the earliest possible date?

Mr. Churchill: Yes, that will be done.

PUBLICATIONS

ROYAL COMMISSION REPORT—REPRESENTATIONS BY U.S. GOVERNMENT

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to direct a question to the Minister of National Defence. I apologize for giving short notice. I address this question to him because of newspaper reports to the effect that these representations were made to him. Will the minister inform the house whether the United States government has

made representations officially to the Canadian government protesting the recommendations of the royal commission on publications? If so, what action does the government propose to take?

Hon. D. S. Harkness (Minister of National Defence): Mr. Speaker, that is a question which I think would be more properly addressed to the Prime Minister as leader of the government.

Mr. Herridge: Mr. Speaker, I then direct my question to the Prime Minister.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I shall take the hon. gentleman's question as notice. I shall look into the record and ascertain the present position with respect to the representations made by the United States, and will then advise what course may be followed.

I might say that whatever representations are made, we are making the fullest study of the recommendations of the O'Leary commission. When we are in a position to advise the house as to the course to be taken thereon or with respect to any portion of the report, the house will be made aware of this.

INDUSTRY

SHIP OPERATING AND SHIPBUILDING—INQUIRY AS TO TABLING OF REGULATIONS

On the orders of the day:

Mr. L. R. Crouse (Queens-Lunenburg): Mr. Speaker, I should like to direct a question to the Minister of Transport. On May 12 he announced a new policy with respect to government assistance to Canadian ship operators and shipyards. When will particulars relating to the administration of this plan be approved and tabled?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, a draft of those regulations has been prepared and was ready about a month ago. This draft was sent to the various shipowners' and shipbuilders' associations for their comments. We have received quite a lot of correspondence on the matter. A final draft has been submitted to the cabinet, and this draft will be tabled in the house on Monday.

Hon. Lionel Chevrier (Laurier): Mr. Speaker, may I ask the minister a supplementary question. Did he, under the powers conferred upon him by the Canada Shipping Act, authorize the entry into Canada of a ship called *Vacationland,* a Detroit ferry boat, for the express purpose of operating a ferry service between Father Point and Baie Comeau?

Hon. Leon Balcer (Minister of Transport): Yes, Mr. Speaker. It has been the practice of the Department of Transport to refuse entry into Canada of any vessels more than 10 years of age. With respect to vessels that are between five and ten years of age, a survey of the situation is made and, according to special circumstances, some of those vessels are accepted in Canada.

That is the situation with respect to the *Vacationland,* which is a very powerful icebreaker. The ship has been lying in lake Michigan. It was for sale, and a group of Canadians from the Rimouski area formed a company and bought that ship which is well suited for this type of ferry service between Father Point and Baie Comeau.

This ship is a full-fledged icebreaker. According to the experts of my department and the people in the trade she is extremely well suited for this type of operation.

Mr. Chevrier: I should like to ask the minister another supplementary question. Can he explain to the house how he reconciles this policy with the government's new assistance policy, which was announced to the house ten months ago, the object of which was to encourage the building of ships in Canadian yards on an occasion such as this?

Mr. Balcer: Mr. Speaker, I have just explained why we have accepted this ship. It was built at a cost of $5 million. It was for sale for $1 million. In the circumstances it was the best type of ship available and perfectly suitable for the job. I think it will do a tremendous good for the welfare of the industry and commerce in that area.

Hon. J. W. Pickersgill (Bonavista-Twillingate): May I also ask the minister a question. Do the regulations which are to be tabled on Monday include regulations having to do with assistance in building fishing vessels, which the minister announced at the same time and which, if I remember correctly, he said would be considered mainly by his colleague the Minister of Fisheries?

Mr. Balcer: Yes, Mr. Speaker.

[*Later:*]

Mr. Chevrier: Mr. Speaker, may I ask the Minister of National Revenue the following question. In the light of the reply given to me a moment ago by the Minister of Transport, that a Detroit ferry boat is being imported into Canada, can the minister tell the house whether the taxes payable to his department have been waived in this case, and if so, in what amount?

Mr. Nowlan: Mr. Speaker, I have not the details here at the moment. As far as I know, no such action has been taken. But I will make inquiries and advise the house.

Inquiries of the Ministry

UNEMPLOYMENT INSURANCE

INQUIRY AS TO REPLENISHMENT OF FUND

On the orders of the day:

Hon. Paul Martin (Essex East): Mr. Speaker, I should like to address a question to either the Acting Minister of Finance or the Minister of Labour. In view of the finding of the advisory committee of the unemployment insurance commission, tabled in this house yesterday, that the unemployment fund will be down to its last penny early in 1962, is the government now in a position to say what steps it proposes to take to replenish that fund so that the rights of workers under the unemployment insurance fund in Canada, particularly those who are unemployed, will not be prejudiced?

Hon. Michael Starr (Minister of Labour): I shall bring this question to the attention of the Minister of Finance.

Mr. Martin (Essex East): Mr. Speaker, in view of the fact that we have an Acting Minister of Finance—and I appreciate the circumstances under which he has assumed this responsibility, and in view of the long journey of the Minister of Finance—may I ask the acting minister whether he is in a position to make a statement with regard to a matter which is of such vital concern to thousands of workers in this country?

Hon. George C. Nowlan (Acting Minister of Finance): Mr. Speaker, I am in a position to give an assurance to the hon. member and to the house that this government as always will safeguard the rights of the workers and the citizens of this country.

(Translation):

COMMUNICATIONS

QUEBEC—REPORTED COMPLAINTS RESPECTING TELEPHONE SERVICE

On the orders of the day:

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, I should like to put a question to the Minister of Transport.

Has the minister received any complaints from public authorities of L'Assomption, Repentigny, St. Charles, de Lachenaie, and even Joliette, regarding the shocking attitude of the Bell Telephone Company toward my constituents who are subject to discrimination?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, I have actually received complaints to that effect. I have also received a lengthy correspondence from my hon. friend from Joliette-L'Assomption-Montcalm, and I have forwarded those documents to the board of transport commissioners.

[Mr. Nowlan.]

(Text):

REDUCTION IN TRANS-ATLANTIC TELEPHONE RATES

On the orders of the day:

Mr. R. C. Coates (Cumberland): Mr. Speaker, may I direct a question to the Minister of Transport. Can the minister inform the house whether the completion this autumn of the new trans-Atlantic telephone cable owned jointly by Canada and the United Kingdom will have any effect on trans-Atlantic telephone rates?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, the president of Canadian Overseas Telecommunication Corporation is today releasing to the press an announcement respecting a 25 per cent reduction in telephones rates from Canada to the United Kingdom which will come into effect on November 1, the expected date of the opening of the new trans-Atlantic multichannel, multipurpose cable.

This reduction has been made possible owing to the successful operations of C.O.T.C. as well as anticipated lower operating costs of the new system, which will also provide the additional capacity necessary to carry the increased traffic which is expected to be generated as a result of lower charges.

I might add that for the time being this reduction is limited to calls to the United Kingdom, but discussions have been initiated with European countries with a view to including them in the area to be covered by lower rates.

FISHERIES

NEWFOUNDLAND—REQUEST BY FISHERMEN FOR FEDERAL ASSISTANCE

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I should like to ask the Minister of Fisheries whether he has yet made any reply to the communication sent him by the Newfoundland federation of fishermen on August 24 and, if so, could he give the nature of the reply to the house or make it available to hon. members?

Hon. J. A. MacLean (Minister of Fisheries): Speaking from memory, Mr. Speaker, I am not certain of the identity of the communication to which the hon. member refers, but I will look into the matter and assure myself that we are referring to the same thing. My impression is that he is referring to a communication to which I have replied, but I will make certain of this point and reply further to his question.

Mr. Pickersgill: Perhaps I might assist the minister by pointing out to him that I was

referring to the document from the general secretary making an appeal for federal assistance.

INCOME TAX

PRAIRIE PROVINCES—RELIEF FROM PAYMENTS ON FORCED CATTLE SALES

On the orders of the day:

Mr. E. W. Brunsden (Medicine Hat): Mr. Speaker, I should like to address a question to the Minister of National Revenue. The minister is aware of the severe drought in sections of the prairies and the necessity on the part of many ranchers to reduce their cattle herds. Will the minister give early consideration to the formulation of regulations whereby farmers and ranchers may be relieved of income tax payments arising from the forced sale of such cattle, on the understanding that revenue from 1961 drought sales will be reinvested in replacement stock when climatic conditions improve?

Hon. George C. Nowlan (Minister of National Revenue): The hon. member was good enough to send me notice of his question this morning. This is a matter which has been under consideration by the government, particularly by my colleagues the Minister of Agriculture and the acting minister of national revenue during my absence. Correspondence has been exchanged and studies have been made. I think the feeling at the moment is that there are sufficient existing provisions in the Income Tax Act to deal with any problem which may arise. The specific point to which the hon. member refers would involve a change in the act itself. The matter is under study, and the government is giving every consideration to the problem.

NATIONAL DEFENCE

POINT EDWARD NAVAL BASE—WAGE RATES OF PREVAILING RATE EMPLOYEES

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to address a question to the Minister of National Defence. In view of a recent letter addressed to the Minister of National Defence and signed by Murray MacKay, recording secretary of lodge 1667 of the international association of machinists at Point Edward naval base in Sydney, would the minister state whether he will have an investigation made into the wage rate structure at the naval base for prevailing rate employees, to ensure that the wage rates are at least brought into line with those of private industry in the vicinity?

Hon. D. S. Harkness (Minister of National Defence): I did receive a letter from Mr. MacKay on September 1, and I noted that copies of it had been sent to the leaders of the other two parties in the house. Mr. MacKay's representations have been referred to officials of the department for investigation.

(Translation):

AGRICULTURE

SUGGESTED AGREEMENT RESPECTING USE OF MARGINAL LANDS

On the orders of the day:

Mr. Samuel Boulanger (Drummond-Arthabaska): Mr. Speaker, I intended to direct a question to the Minister of Agriculture, but since he is not here I shall ask his parliamentary secretary to take it as notice.

In view of the difficult social and economic conditions of the agricultural class, will the minister inform the house as to whether he will soon make a statement about the act relating to the agreements pertaining to the development of marginal lands, employment opportunities in the agricultural districts, etc., in which he would indicate the financial arrangements he proposes to submit to the provinces?

Mr. Pigeon: Ask Mr. Lesage about that.

(Text):

Mr. L. E. Cardiff (Parliamentary Secretary to the Minister of Agriculture): Mr. Speaker, I received notice of the hon. member's intention to ask this question. I will take it up with the minister and have it answered as soon as possible.

FINANCE

INTERNATIONAL MONETARY FUND—INQUIRY AS TO CRITICISM OF GOVERNMENT ACTION

On the orders of the day:

Mr. John R. Matheson (Leeds): Mr. Speaker, I wish to direct a question to the Prime Minister and ask whether the government has received any communications since July 12, 1961, from representatives of the international monetary fund criticizing or questioning this government's action in forcing down the exchange rate.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, of course that question in the form in which it is asked is not proper for the orders of the day.

Mr. Chevrier: Who decides that?

Mr. Diefenbaker: If the hon. gentleman will place that question on the order paper in the regular way an answer will be given to it.

Hon. Paul Martin (Essex East): Speaking on a point of order may I say this. Surely the suggestion of the Prime Minister is one that cannot go without some comment.

Mr. Speaker: Order. If the Prime Minister refused a question on a point of order, of

course it would be open to an hon. member to discuss the point of order. However, I think the practice is well established that the government is not obliged to answer a question. If it objects to a question and requests that it be put on the order paper, as was done by the Prime Minister, it seems to me that procedure is within the practice we have followed.

Mr. Martin (Essex East): I am sure we will not disagree with you, Mr. Speaker.

Some hon. Members: Order.

Mr. Martin (Essex East): The Prime Minister is within his rights.

Some hon. Members: Order.

Mr. Speaker: I think I should hear the hon. member for Essex East because it seems to me—

Mr. Lennard: We do not.

Mr. Speaker: I hope the hon. member for Wentworth will bear with me, because a point of order is involved in objecting to a question on the ground that it is unsuitable for the orders of the day. I could deal with the matter on either point, and I think I should hear the hon. member for Essex East.

Mr. Martin (Essex East): Of course Your Honour is correct in saying that it is the right of the Prime Minister or any other minister to withhold a response to a question. However, that is not the point in issue. The point in issue is that the Prime Minister stated that this was not a proper question to ask on the orders of the day.

Mr. Diefenbaker: That is right.

Mr. Martin (Essex East): This is a proper question. In any event, it is not for the Prime Minister to tell this house what is proper. That is the responsibility of the Speaker.

Mr. Diefenbaker: Mr. Speaker, may I say to the hon. gentleman that I never appropriate to myself the position of Mr. Speaker, as the hon. gentleman does so frequently. I simply pointed out that this was not a proper question. It is not dealing with a matter of immediate moment. It is a matter of detail and, being a matter of detail, it should be placed on the order paper.

PUBLIC SERVICE

PART TIME EMPLOYEES—REPORTED OFFER OF SICK LEAVE AND HOLIDAYS

On the orders of the day:

Hon. Noel Dorion (Secretary of State): Mr. Speaker, at the end of the first part of the session the hon. member for Kootenay West put to me the following question:

[Mr. Martin (Essex East).]

In view of the minister's statement in the house on July 11 that the civil service commission has followed the policy of granting regular leave to full time civil servants only, would the minister care to comment on the fact that as far back as ten years ago the civil service commission advertised positions or part time stenographers in the Ottawa papers and offered sick leave and holiday benefits?

This is my answer. In my statement on July 11, 1961, regarding paid leave for part time employees, to the effect that the government has followed the policy of granting regular leave only to full time civil servants, I should have made a distinction between persons regularly employed part time on a set time basis of so many hours per day, or for example on a half time basis, as opposed to persons employed sporadically from time to time on what is known as a casual basis.

In the former cases it is the policy of the government, and this includes the civil service commission, to grant regular leave—vacation, sick and special—on a basis which is scaled proportionately to the number of hours worked. It is true, therefore, that a half time stenographer receives one half the normal leave credits. She would, therefore, receive three weeks annual leave, or fifteen days, but would be paid for half her fifteen days only or, in total, one half of fifteen days' pay. On the other hand, in those departments which have employees engaged on a sporadic or casual basis, it is not the practice to grant leave benefits.

As already reported on July 11, this whole matter is now being studied by the civil service commission.

CANADIAN BROADCASTING CORPORATION

LAKEHEAD—REQUEST FOR TELEVISING OF WESTERN FOOTBALL GAMES

On the orders of the day:

Mr. Hubert Badanai (Fort William): I wish to direct a question to the Minister of National Revenue. My question arises out of complaints from many people at the lakehead against the inability of the Canadian Broadcasting Corporation to provide telecasts of the big four football games from the east. Can the minister inform the house whether the C.B.C. can arrange that the football games of the western conference be made available to CFCJ-TV, which would offset the disappointment over the failure to televise the big four football games for the benefit of the people of the Thunder Bay district?

Hon. George C. Nowlan (Minister of National Revenue): Mr. Speaker, as I think

the house knows, the responsibility for this situation rests with the football leagues and the private television network. The big four games were contracted for by a private network or a private television station and that matter is closed. The western conference games were purchased by the Canadian Broadcasting Corporation. I might say, incidentally, that the corporation offered far more for the big four games this year than ever before, and when they were purchased by a private station the C.B.C. offered to recoup the private station the amount which it was out, but no negotiations were possible.

The western conference games were purchased. Then, knowing the interest of the hon. member and the people of the lakehead in western conference football, negotiations were entered into in order to see whether it would be possible to televise the western games at least at the lakehead. The Canadian Broadcasting Corporation was informed, so I am advised, by the football unions in question that the lakehead came within the jurisdiction of the big four, and that no television could be permitted under the circumstances.

COVERAGE OF SPEECH BY PRIME MINISTER TO BAR ASSOCIATION

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): Mr. Speaker, I should like to ask the Prime Minister a question based on information I have to the effect that the Canadian Broadcasting Corporation was prevented from giving complete or thorough coverage to his appearance a week ago at the Canadian Bar Association meeting in Winnipeg because a private television station had tied up the event. I should like to ask the Prime Minister whether he has given consideration to ensuring that in his public role he does not become an exclusive performer for any segment of the communications industry.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, the hon. gentleman often asks involved questions, but I must say that is the most involved one he has ever produced. I do not know about the premise or the basis for the premise. I therefore cannot give any answer to the rest of the question. All I know is that there were in front of me a number of broadcasting appliances. Whose they were and whence they came, I do not know.

Hon. L. B. Pearson (Leader of the Opposition): A supplementary question, Mr. Speaker. Does the Prime Minister not feel that he is given sufficient consideration by the broadcasting and television interests in this country?

Mr. Diefenbaker: Mr. Speaker, I would be the last to object, for I know the hon. gentleman will find out when he has something worth while to say, he will always receive full coverage.

TELEVISION

TORONTO—REPORTED TRANSFER TO U.S. OF INTEREST IN PRIVATE STATION

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I wonder whether the Minister of National Revenue is now in a position to answer the question I asked him yesterday about this extremely urgent matter of turning over a large part of the control of the private television station in Toronto to United States interests?

Hon. George C. Nowlan (Minister of National Revenue): Mr. Speaker, as I said yesterday I think that is a question that I should approach carefully in order to avoid shocks. However, I will try to give a reply Monday or Tuesday after I have had consultations.

TRANSPORT

RICHELIEU WATERWAY—REQUEST FOR STUDY OF PROJECT

On the orders of the day:

Mr. Lucien Cardin (Richelieu-Vercheres): Mr. Speaker, I should like to direct a question to the right hon. Prime Minister. Now that the Prime Minister has had the opportunity of studying the statement made recently by the United States authorities to the effect that they intend to proceed with the Champlain-Richelieu waterway cut-off without waiting for Canada, can the Prime Minister say whether the government has decided upon a policy in this matter and whether he intends to set up a board of engineers to study the economics of this program?

Mr. Speaker: Order. If I am not mistaken a very similar question was asked yesterday and was taken under consideration.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, yesterday the hon. gentleman was kind enough to send over the clipping in question. I think he deserves an answer in view of the courtesy he showed yesterday and again today. I read the particular article. It was a statement made by a commentator in a dispatch in a Montreal newspaper on July 22. It was to the effect

that the United States authorities intended to proceed with the Champlain-Richelieu cut-off.

I have heard of no indication that the United States government intends at this time to undertake any works of construction on that part of the waterway which lies within the United States. I might add, with reference to the further question asked by the hon. member, that on May 24 the hon. member for Chambly-Rouville (Mr. Johnson) asked me a question respecting this matter and I pointed out that the appropriate departments were then continuing their study of the project. That review is of a continuing nature and has been in progress for some time. I also pointed out that when, following that examination, a decision was made as to the proper course to be adopted in connection therewith, the house would be made aware of it immediately.

Mr. Cardin: Does the Prime Minister mean that the house will be made aware of the reports on the survey now being made by the engineers in the different departments?

Mr. Diefenbaker: Mr. Speaker, that question is asked in such a kindly way, as of course it has to be, because it has about it certain implications that would deny my giving an affirmative answer.

(Translation):

SOULANGES CANAL—STATEMENTS AS TO FEDERAL DISPOSAL

On the orders of the day:

Mr. Marcel Bourbonnais (Vaudreuil-Soulanges): Mr. Speaker, I should like to ask the Minister of Transport a question. Could he tell us whether he received an answer from the Quebec department of game and fisheries with regard to the offer made to him on July 6 last concerning the cession of the Soulanges canal.

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, I did receive a letter yesterday from the minister of game and fisheries of the province of Quebec, in which he agreed to all the terms suggested by the federal government with regard to the transfer of the Soulanges canal to the province of Quebec for the nominal sum of a dollar.

(Text):

INQUIRY FOR RETURNS

CABINET MINISTERS' TRAVELLING EXPENSES—TRIPS ABROAD ON GOVERNMENT BUSINESS

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I should like to direct a question to the Secretary of State. In doing so I wish to thank the hon. gentleman for making the return which he promised before the session adjourned. I refer to those returns that had not been made, in compliance with the orders of the house.

I wish to ask the Secretary of State whether he does not think it would be possible to expedite return No. 15 regarding the travel expenses of ministers, which was passed on November 30, and return No. 22 giving the names and expenses of persons sent outside Canada, which was also passed on November 30. I would also ask the hon. gentleman whether he does not think this would be a particularly opportune time to make these returns.

Hon. Noel Dorion (Secretary of State): Mr. Speaker, at the end of the first half of the session I believe the hon. member asked me to table all the returns. Yesterday we tabled a list of the returns standing as of that date. However, some of the returns to be tabled require the authorization of the provinces because we have to produce the correspondence with some of them.

With regard to the specific numbers mentioned by the hon. member, I will make inquiries and table them as soon as possible.

NATIONAL AFFAIRS

CANADA MEDAL—INQUIRY AS TO AWARDS

On the orders of the day:

Mr. Walter Pitman (Peterborough): Mr. Speaker, I should like to address a question to the Prime Minister. Now that the Canada Council has come forth with medals honouring outstanding Canadians, has it altered the Prime Minister's attitude toward the famous Canada Medal originated by Mr. Mackenzie King and as yet unawarded?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I would suggest that any question connected with Mr. Mackenzie King should be directed to the hon. member for Bonavista-Twillingate.

Mr. Pickersgill: On a question of privilege, Mr. Speaker, may I thank the Prime Minister for the advertising.

EXTERNAL AFFAIRS

FORMOSA—INQUIRY AS TO ESTABLISHMENT OF DIPLOMATIC MISSION

On the orders of the day:

Hon. Paul Martin (Essex East): May I ask the Secretary of State for External Affairs whether, in view of the suggestion made last night, it is the intention of the government to establish a diplomatic mission in Formosa.

Hon. Howard C. Green (Secretary of State for External Affairs): No, Mr. Speaker.

SUPPLY

The house in committee of supply, Mr. Chown in the chair.

DEPARTMENT OF EXTERNAL AFFAIRS

Department—

76. Departmental administration, $6,924,915.

Mr. Macquarrie: Mr. Chairman, I am sure all members of this house feel that yesterday's debate was a splendid one, conducted in a mood of great seriousness in keeping with the urgency and gravity of this hour in mankind's history. Naturally most attention was given to Berlin, where the iron curtain has now become a physical thing symbolic of those great, deep differences existing today in respect of the political and civil rights of man.

I was, nevertheless, impressed with the fact that a good many members gave thought to other areas of the world as well. Sometimes we tend to concentrate on the major and immediate crisis and allow another one to develop with which we have to deal at a later time. I thought the Secretary of State for External Affairs made one of his greatest speeches. In a brief, simple and straightforward statement he set the record straight on NATO, on the commonwealth and especially on the United Nations and Canada's support of and faith in that great organization.

If I may be pardoned a personal expression I may say that the president of the United Nations assembly is today in my constituency in the province of Prince Edward Island. If it were not for this important debate and my duties in the House of Commons, I would be there to greet this distinguished man as he comes to that most beautiful part of Canada to discuss today's most important events and, I hope, to get a little rest in our beautiful province. Like the Secretary of State for External Affairs I, too, hope that the U.S.S.R. has not lost its sensitivity to world opinion.

As the Charlottetown *Guardian* said the other day:

> It poses a new threat to world survival which the U.N. must deal with at its regular general assembly session this month; and therein lies the last hope that the reaction to its appalling significance will cause a change in Kremlin strategy before it is too late.

All of us are deeply concerned lest war descend upon us, for we know its terrors. We know how utterly it would destroy us all. In many ways it is this awareness of the awfulness of war that makes diplomacy so difficult. There is always the danger of forsaking strength and steadiness in our horror of what may happen, and these are the essential ingredients of successful diplomacy. I noted that the hon. member for Kootenay West said that no Berliners would be left alive if the issue were settled by war, and God knows that is true. But how long would freedom itself live if we gave in in the face of the threats that emanate from the Soviet union and continued to cave in in future confrontations?

I am always a little uneasy when I hear the expression, is Berlin worth fighting for? Is this remote and distant city worth pushing the crisis to its ultimate? None of us thinks it would be a good idea to fight because the old idea of war is completely out of the picture these days. Yet I can never forget those inane utterances of Neville Chamberlain when he referred to Czechoslovakia as "that remote and unknown country". We cannot think in these terms any more. Of course we must make every possible exertion to avoid war. Indeed, I think the minister was right when he said we will have to exert ourselves more than we have heretofore. Perhaps it is my Calvinism that causes me to be most impressed when he calls for great physical and moral courage. I think it is very appropriate to the needs of the present day and hour. I think we will have to prepare ourselves for a harder road. We should be ready to recognize that, as the minister said, perhaps we have had enough of the soft life.

In my maiden speech in the house I quoted a brief, succinct passage from that wonderful newspaper the *Christian Science Monitor,* in which it was stated:

> We prefer a tax cut we think—to a satellite or a missile—until the Russians have one. And then the heart searching begins.

Well, soul searching and heart searching were never more needed than in this moment in mankind's history.

Now, Mr. Chairman, I should like to speak briefly about an area which I have discussed during external affairs debates in previous sessions. I was honoured to be one of the Canadian observer delegation to the special inter-American economic and social conference held in Punta del Este. I am deeply grateful to the Prime Minister, the Secretary of State for External Affairs and the government for appointing me as a member of that observer delegation. My status was such that I had to observe with both eyes, because the delegation itself was an observer group. I should like to express my personal thanks to the leader of that delegation, the Associate Minister of National Defence, for the many courtesies shown me. He gave the delegation splendid leadership and I was proud of the fact that in all his contacts he made a great impression and won friendship for Canada.

I think the visits of Canadian leaders to South America are most important. While there I heard many references to the recent visit of the Secretary of State for External Affairs, as well as to the visit of the previous

secretary of state for external affairs, the late Dr. Sidney Smith. I hope the Prime Minister himself will be able to go down to that part of the world in which he is held in such high regard by the people who stand for the great things for which he has stood throughout the whole of his public career.

In today's world the southern hemisphere is vital, not so much in this direct kind of explosive contact we discuss when dealing with Berlin but in that socio-political economic contest in which Mr. Khrushchev has promised to bury us. In that struggle the lands and peoples south of the equator are tremendously important. I think they are aware of the importance which they now hold, and they are doing much to help themselves. They realize, I believe, that they are at the crossroads in their historic development.

I have said before, and I reiterate, that this government deserves compliments and commendation for what it has done to strengthen our ties with Latin America. New missions have been opened, and now we are about to be represented in every single nation in the Latin American world. The appointment of the observer delegation to Punta del Este was most deeply appreciated. I heard that on every hand. The new contacts that are developing, the visits that are taking place, are all to the good. I think it is in our interest to do more of this. I believe we must press for closer and closer contacts, especially in the technical and academic fields.

I was very pleased with the references made by the hon. member for Fort William in this connection. He was almost born in one of the Latin American states and might have become a deputy in Brazil had he stayed there a little longer. Last session I spoke of the beginning of the Latin American institute at King's College, Halifax, the oldest university in Canada. There is great hope in this, for there is a fine program developing there. I should like to see a program of scholarships similar to that in which Canada gave such great leadership in connection with the commonwealth scholarship plan.

There is one more question to which reference has already been made in this debate, and that is membership in the organization of American states. For a long time, indeed for 15 years or more, I have held that Canada would be well advised to become a member of this hemispheric association. I am more strongly convinced than ever that this is the right course. There was one time, many years ago, when we were not wanted. Of course we were technically ineligible then. This situation has long since passed and, publicly and privately, we have been invited to take our place, to occupy that vacant chair which someone in a spirit of optimism had actually built in 1912 when the Pan-American Union building was opened in Washington. We have had the invitation from President Kennedy. However, some years before, that distinguished American Senator Vandenberg issued an invitation in very fine words which now come to my mind. He said:

> By every rule of righteousness she is eligible to this association. By every rule of reason we should wish her here. I should welcome the final and total new world unity which will be nobly dramatized when the twenty second chair is filled and our continental brotherhood is complete from the Arctic circle to Cape Horn.

Among the Latin Americans I was privileged to meet at the conference at Punta del Este I found complete unanimity in the view that Canada would be most welcome. They would be very happy to have us take our place among this group. I am not the first to report with respect to this unanimity. This has been reported by much abler persons than I, and notably by the Secretary of State for External Affairs himself in recent statements.

Should Canada join? What will we get out of it? Perhaps we should also ask what we can contribute to it. I observed that the minister spoke yesterday about the essential need of continuing the ingredient of idealism in our foreign policy. We would greatly strengthen the organization of American states, the oldest collective security organization in the world today. We have much in common with the Latin American countries now forming its membership. We have a colonial past. Our colonial problems and difficulties were different from theirs and we met them in a different way, but suffice it to say that we had our problems and dealt with them in our own way, finally emerging with independent status. Another similarity lies in the fact that our country was settled by Europeans many years ago, and we have close continuing ties with the European continent.

We, like many countries in Latin America, have great natural resources requiring a major effort to effect their development. We have, however, something which not all and indeed not many Latin American states have. We have a long record of political stability. Indeed, between the years 1935 and 1957 I thought we were becoming too stable in our political life. We have a history of settled, orderly government. We also have technical know-how. Canada is a country with a mature economy and an advanced technology. We

have the very things which the nations south of the Rio Grande require so desperately in these difficult times.

I wish to deal now with the advantages that could accrue from our joining. This is no place to discuss the prospects of improving our trade with Latin America, but let me say I am firmly convinced that there is a great potential for expansion in that part of the world. As another advantage I should mention that we would strengthen the western alliance by strengthening the organization of American states. We would improve our contacts and relations with people who wish to be our friends. During the few years I served as a delegate to the United Nations I became thoroughly convinced of the basic friendship between Canadians and Latin Americans. That friendship is extremely important, especially at the United Nations in the light of what has happened with respect to the membership pattern there.

The old arguments against our joining are now passé. There were those who used to argue that our joining would work to the detriment of the commonwealth in some way, that the two were incompatible. The commonwealth has now developed into a new form. There is greater freedom among the members. I think it not impossible that before too long we could have two commonwealth states in the organization of American states. The British West Indies federation might well be a member of both bodies in the very near future.

There is another argument which always disturbs me. Some have argued that there is a danger in joining, that we might find ourselves having to side with the United States against the Latin Americans or side with the Latin Americans against the United States. Someone yesterday in the debate used the word "subservience". I have witnessed the Secretary of State for External Affairs in his dealings with some delegations at the United Nations. While I should not like to use the word "stubbornness" in relation to the hon. gentleman, I have never found him guilty of subservience, nor have I seen him hesitate to disagree when he thought it was proper and in Canada's interest to do so.

The Prime Minister of this country needs no suggestions concerning the proper exercise of Canada's independent role in world affairs. The Prime Minister set the record straight in that famous Dartmouth College speech which he made shortly after he became Prime Minister. The argument of subservience is out of date. Indeed it is contemptible. Canada can differ when it feels there is a point of difference. We are free to agree not because the United States is rich and powerful and we are afraid to disagree, but because in the issues that face the world today we find ourselves in agreement with United States due to the fact that it is on the side of right.

I heard this thought brilliantly expressed by my friend the hon. member for Parkdale when he spoke in my constituency not long ago. Sometimes I feel there is too much anti-Americanism on the part of the would-be intellectuals of the country, the Gamaliels of the press gallery and the general reportorial group. Often this negative sentiment is passed off as Canadian nationalism. I believe this is scarcely the time to indulge in anti-Americanism. It is very easy to find flaws in the record of a country which bears the burdens of world leadership. In the nineteenth century the favourite intellectual exercise was twisting the lion's tail; now it is plucking the feathers from the eagle.

I think these dark days are hardly suited for indulging in such activities. We have to recognize that while we have long since reached the stage where we are capable of asserting and do assert our independence, when the chips are down Canada and the United States are on the same team. I shudder when I hear Canadians equate the aims of the U.S.S.R. with those of the U.S.A., and with a fine impartiality say "A plague on both your houses; we will step on the United States' corns and Russia's corns, too".

There were bad days in the relations of the United States with her southern neighbours. I suppose they were at their worst at the time of Theodore Roosevelt and reached their highest level under a United States president of the same name. The United States has learnt much during the course of its relations with its Latin American neighbours and during the course of its relations with Canada as well. President Kennedy in his recent program, *alianza para el progresso,* advanced an imaginative, forward looking program designed to improve relations through united leadership as opposed to United States supremacy. Yesterday the Associate Minister of National Defence described the tremendous contributions the United States has been prepared to make—in raw, physical terms, a contribution of $20 billion—to assist Latin America, which perhaps with some justification has felt a little neglected in recent years as Washington has had forced upon it crisis after crisis to which it has had to give its immediate attention.

I was tremendously impressed by the performance of Mr. Dillon, the chief United States delegate at the inter-American con-

ference. He began his opening speech by quoting a statement of the Cuban liberator, Jose Marti, who said:

> We Americans are one in origin, in hope and in danger.

Mr. Dillon went on to say:

> We meet today in fulfilment of the concept and brought together by our common origin, fired by our common hopes, determined to conquer our common dangers.

Although there are great differences between us and many of the peoples of Latin America and indeed of the United States, we have so much in common that we cannot say, we dare not say, that what happens there does not affect nor concern us because verily it does. As ambassador Adlai Stevenson said:

> We cannot look for strong brothers in arms against a common enemy as long as any of our fellow American nations are sapped by stagnation and social decay.

Or as the Associate Minister of National Defence expressed it yesterday:

> Our fate will be a better one if the fate of our neighbours in Latin America is also a better one.

To advance, to strengthen this area will make for a better world and strengthen the causes to which we have dedicated ourselves. Happily we are in a position to help. I am convinced that we will do so on an ever increasing scale. It has not been the Canadian attitude to fail in our responsibilities to the world.

In this particular part of the world to which I have been giving my attention in these last few minutes I think the opportunity is great, the challenge is great, but happily we are able to meet both. I would hope we shall go further in this direction than we already have gone, and that here will be one area in which this struggle in the future, if we have a future, will be resolved in the right way for the right causes and on behalf of the right people.

(Translation):

Mr. Deschatelets: Mr. Chairman, following the recent incidents which occurred in Berlin and the resumption of nuclear tests by the U.S.S.R., the Prime Minister (Mr. Diefenbaker) informed us yesterday of the various measures which the government has decided to take, such as increased military forces in Canada and Europe, the establishment of a recruiting and training program to facilitate civil defence in our country.

Quite contrary to his usual optimistic mood, the Secretary of State for External Affairs (Mr. Green) yesterday summarized his slightly pessimistic opinion in these words: We are on the brink of nuclear war. It still remains to be seen to what extent the steps taken by the government and the statements made by the Prime Minister and the Secretary of State for External Affairs will satisfy public opinion in Canada.

At the end of the speech she made yesterday, the hon. member for Niagara Falls (Miss LaMarsh) expressed some disappointment in the very limited review made by the Secretary of State for External Affairs and I am inclined to share her disappointment since I feel the time would have been most appropriate yesterday for the Canadian government's spokesman to state very clearly the government's policy concerning external affairs, in view of the present problems.

In my opinion, the hon. member for Essex East (Mr. Martin) brilliantly stated yesterday the views of the official opposition. He made various suggestions to the government and I hope the latter will take them into serious consideration. I think—in fact, I am quite sure —that the government will appreciate the spirit in which those suggestions were made because, at the end of his speech, the hon. member for Essex East called for united action on the part of all Canadian political parties to deal with the serious problem we are faced with concerning national security. I am sure that his appeal will meet the approval of all Canadians.

Mr. Chairman, the present tension over Berlin does not result from a new problem. Last year, a few colleagues and I had the opportunity of following the deliberations of the NATO parliamentary association and we visited NATO's Canadian military bases and refugee camps in West Berlin. Following that trip and the talks we had with west Berlin local authorities, we had the impression that the Berlin question would one day give rise to the tension we experience today. That problem is not the only important one on which the east and west are divided, but it is definitely the most crucial and capital one; indeed, if there is a strategical point in the world where the western countries must not retreat, it is in west Berlin. The western world's position concerning Germany and Berlin has been clearly stated and it must be forcefully reiterated. I quite agree with the government on this point, but once that position is taken, nothing should stand in the way of negotiations even if a solution of the problem seems hard to find today because of the Soviets' uncompromisingness and insincerity.

In fact, what is the problem? There are in Berlin 2.5 million Germans who are anti-communists and whose sympathies, culture and economic ties lie with the western world.

Because of their affection for democratic countries, I feel that we have an undeniable obligation to see that they are not overtaken against their will by the communists. But in spite of its importance, I think that we can consider the Berlin crisis as a symbolic factor in this fight between eastern and western ideologies.

Therefore, that is the reason why I say that the present issue is much more important than the Berlin and German problems. Let us never forget that if the communists claim to be the defenders of a world wide doctrine, should we weaken on the Berlin issue, the Russians' hunger would not be satisfied.

Communism aims to engulf the yellow race, the black race and the white race—Asia, Africa, Europe and America. The final aim of communism, let us never forget it, is not merely a local victory or a continental victory, but complete domination—communist dominion over the world.

In addition, I feel that if we consider and think over what happened since the end of the last war we will be realistic enough to admit that, and that being admitted, there are two questions we can ask ourselves. What is the position the western world should take in the light of such a crisis, especially after the resumption of nuclear testing? Should we take a rigid stand on the Berlin issue and keep our ground firmly, even though we may run the risk of starting a war? Second, what position should a country like Canada take when faced with problems of a scope much beyond its strength?

Before answering the first question, I should like to read a few lines of a speech delivered by Mr. Khrushchev a few months ago—less than a year ago—before the supreme Soviet of the U.S.S.R., on January 14, 1960. It will be seen from this statement which seems very clear that even Mr. Khrushchev admits that nuclear warfare between two countries who have nuclear weapons is meaningless. I quote:

> Let us suppose that a state or a group of states succeed in preparing and launching a surprise attack against a power which has nuclear weapons and rockets. Could the aggressors, by a single blow of the nuclear weapons, destroy all the installations for the launching of rockets within the borders of the attacked power, even if they succeeded in keeping their attack undetected? Certainly not.
>
> The state who is suddenly attacked, assuming it is a large enough one, will always have a possibility to retaliate with equally powerful blows. We take into consideration the fact that our country is surrounded by foreign military bases; that is why we are installing our launching sites in such a way as to insure a second and a third line of defence. The fact that our territory is enormously large makes it possible for us to decentralise our launching sites and to hide them well. We are building a system by which it will be possible whenever one of our answering devices is put out of order, to operate a second one and to hit our objectives from reserve positions.

And Mr. Khrushchev concludes as follows:

> All this is indeed enough to cool off any psychically normal person, and the men who are responsible to the world and who have its destiny at heart.

Well, Mr. Chairman, I am quite sure no sensible man would think a nuclear war might mean victory for the victor, in the sense given to that term until now. And, in the light of the passage I read a moment ago, it seems that Khrushchev himself has understood that the introduction and use of nuclear weapons have utterly upset the very notion of war. That quotation from Khrushchev's words is, in my opinion, additional proof of the fact that, in order to manage to survive along with communism, we must negotiate from strength, this being the only language he can understand.

Does that mean that, after having clearly established our positions, as in the case of West Berlin, we must uphold them without entering into negotiations? Of course, that would be a very serious mistake. I was listening, some time ago, to a remarkable interview on "Close Up", of Mr. Walter Lippmann, an American newspaperman who is much listened to and has had several talks with Mr. Khrushchev. On that program, the following question was put to Mr. Lippmann: Now that the die is cast over West Berlin, that both sides have clearly established their positions, what should the west do about the German problem? And Mr. Lippmann replied:

(Text):

> Well I think that the next step is one which involves a change in our basic approach to the German problem. We have taken the line conventionally that everything in Berlin is as good as it could be from our point of view, that any change in this situation of Berlin would be for the worse, therefore we must stand firm and stand pat. That's Dr. Adenauer's view. Change nothing. Fight—threaten to fight if anything is changed.

Later, Mr. Lippmann, though admitting that we should not basically change our position as to west Berlin, says that as a result we are in a disadvantageous position. He goes on to say:

> We should take the position that the freedom of Berlin, in the sense of their ability to govern themselves, to live their own life, to keep their physical and economic and spiritual and political contacts with the western world, cannot be touched. We won't negotiate about that. But the legal basis and the statutory rights that go with that are negotiable. They never were negotiated. The thing is all a clutter of catch-can things made by generals and various people and we ought to say to them—I would like to see the position of saying to Khrushchev, "We don't like Berlin the way it is; we want to improve it, and if you can negotiate with us an improvement we'd be very interested."

(Translation)

Negotiations should therefore certainly be pursued, even if the main problem cannot be settled. Following an agreement, it would be possible to meet and settle the corollaries to the main question and we also, perhaps, might ask for the status quo to be maintained in the Berlin matter, even if it were only for one year.

I even think that, in this attempt at negotiating so as to relieve world tensions, the western nations should take more considerable and marked action than they have in the past. We should prove to the whole world and convince more particularly the non-committed nations, that the western countries want to solve their problems with the east in one way and one place only, that is, at a conference table.

I think we can agree, and there is nothing wrong with doing so, that our propaganda has not always been a happy one in this respect. We know that the western countries have no imperialistic views and do not aim at conquest, but I think that our propaganda has too often been deplorable, which gave rise to some doubts in the minds of too many people, more particularly in the non-committed countries, and those doubts should not exist considering the generosity of the western countries, first of all the United States and Canada.

I believe that Canada can play an important part in this respect among its allies. Let us recall this country's action in the Suez crisis. The former secretary of state for external affairs, who is today the Leader of the Opposition, had, on behalf of a sovereign Canada, taken a position, unimpaired by any inferiority complex. We may recall that results were in keeping with our attitude, and that considerable prestige was earned by our country. This answers in a way the second question I was asking earlier today.

What attitude should be taken by a country like Canada? I believe that we should as we did for Suez, take any position which to our mind, could promote world peace, considering not only the higher interests of Canada but of all the free nations.

As far as the renewal of nuclear tests is concerned, we should obviously condemn the U.S.S.R. without reserve, as we must also regret, if not blame, the American attitude in this matter, though the American nuclear tests are to be made underground and will therefore not endanger the life of individuals by radioactive fall-out.

To my mind, there is no people in this world, including the Russian people, who would favour those tests. When the Soviets decided to break the lull of a three year agreement in order to continue their nuclear tests, we had an excellent opportunity to expose that country to world opinion, but I think this should have been done before the only proper court, that is, the United Nations.

This is a field where a country like Canada can play an important part. But in addition the government should have a clearly defined policy on this issue. It may be difficult to blame others for making those tests when it is possible that the results they obtain may find a use in our own country by the stocking of nuclear warheads on our launching bases. Therefore we should have a clearly defined policy in connection with the use of nuclear warheads. In my opinion, this procrastination on the part of the government prevents us to a certain extent from playing our due part on the world scene in that respect.

Mr. Chairman, here in Canada we have regard for the basic principles which are essential to men of all countries if they want to develop harmoniously and live in an atmosphere of freedom. Our way of life is essentially dependent on other spiritual values not on atheistic materialism.

In his speech, Mr. Khrushchev as I said a moment ago also made the following statement on which I want to comment. Mr. Khrushchev said a few months ago before the supreme Soviet:

> The U.S.S.R. will produce more coal, more steel and more oil than the United States within ten years from now.

Commenting on that statement, Mr. Spaak, the former secretary general of NATO had the following statement to make:

> I do not believe in totalitarianism nor in historical materialism. There is only one thing we can do and it is to remain true to our essential principles and to accept within our countries as well as outside our boundaries the consequences of that loyalty.

And what he added was actually the truth:

> The problem is not to know who produces the most, it is to know what one does with the wealth thus gained, what kind of society one organizes and what sort of hope is given to the people.

It is here, Mr. Chairman, that democracies have a huge advantage over communism. That freedom of action and thought that we are demanding for the men of all countries

and all races, explains the greater economic failure of the soviets, a failure and a fiasco they are unable to hide. That is why hundreds of thousands of men, women and children, at the risk of their lives, want to cross communist borders to enjoy an atmosphere of freedom within the western democracies.

I think that there lies one of the capital issues connected with the Berlin problem. That is why we must be ready to enter any proposed negotiations and also at the same time maintain a strong stand on the principles at stake, because this issue, let us never forget it, is mortgaging the future generations to come. Therefore we must do all in our power to save the sacred heritage we shall transmit to those who will follow in our footsteps.

Mr. Asselin: Mr. Chairman, the fifteenth session of the United Nations opened in an atmosphere of tension and controversy resulting from the presence of the leaders of the two opposite blocs who wanted to bring forward before the general assembly all the problems that the international community must face today. Colonialism, nuclear tests and disarmament have been some of the main issues which have contributed to sow among the delegations a fever of threats and provocations that could imperil the peace and security of nations.

Fortunately, free nations had state leaders who, with energy and frankness, have unmasked the contradictory and ironical stands of the leaders of the satellite countries who seemed to have undertaken to sabotage the fifteenth meeting at all costs.

Among these courageous leaders, I should like to mention the Prime Minister of Canada (Mr. Diefenbaker) who, on that occasion, made a speech indicating clearly to our allies how we must reply to the leaders of the countries under the communist regime and how we must successfully defend the philosophy of the nations anxious to live in a true democracy. That day, we were proud to be Canadians and to be governed by a leader with such distinction on the international scene.

The fifteenth session was also characterized by the entry of seventeen new nations into the organization. That was a political revolution with hardly any precedents in history. This sudden eruption, on the international scene, of a great many African countries, in full economic, social, cultural and psychological transformation, will bring about a radical change in political data and definitely influence the evolution of the rest of humanity. By asking for the recognition of their prerogatives and the granting of the status of sovereign countries, these newly created nations immediately indicated that they were determined to play an important part on the international scene.

While I was at the United Nations, I had the opportunity of working in close co-operation with the representatives of those new countries and I soon realized the importance of their presence within the international community.

In my opinion, the immediate consequences of their presence are the following:

1. The number of small powers has increased with the result that the latter have made new efforts to unite in a spirit of co-operation to discuss their common problems at the diplomatic level. That does not necessarily mean that the presence of a solid bloc composed exclusively of African countries was felt at the United Nations, but the discussion of certain problems most definitely took on different aspects because of certain new characteristics brought by those new African countries.

2. The presence of those new nations also had an influence on the activities and the procedure of the general assembly, because it was difficult to forecast the fate of a resolution due to an increased number of votes which could be cast in favour of the east or the west. The results of the vote on the membership of communist China is an indisputable example.

I should now like to say a word about the French-speaking African countries. Of the 28 African countries which achieved independence, 17 were former French colonies and 14 of those 17 countries gained their sovereignty in 1960. It goes without saying that the importance of those states may seem secondary from the points of view of population and economics, but it should not be forgotten that each of these new states has a seat at the United Nations assembly, can cast its vote and express its views on all international problems. Most of the French-speaking African nations which were given their independence in 1960 are small countries whose population varies from 1 to 5 million. They are still getting assistance from France and have signed with the latter mutual aid and assistance treaties in the commercial and economic fields.

All those states are faced with urgent problems and Canada, as a bilingual country, must absolutely look into their needs and offer them a charitable and brotherly hand.

Last June, I went to Ruanda-Urundi as a member of a United Nations judiciary mission; I met with the aboriginal people of that country and I acquired a first-hand knowledge of their difficulties. I spoke with African leaders who expressed their fears about the future of those countries. Even though the Belgian authorities have carried out extensive material realizations in that territory under trusteeship, those people will still be in great need after they have achieved independence. In my opinion, the most urgent problem is the establishment of an administrative machinery. Africa's future depends on the training of its public officials, teachers, doctors, civil engineers and technicians of all kinds. From the point of view of education, we must strive to help those countries train enlightened leaders by developing education at the high school and university level. It is here that outside help will be necessary; it will include the provision of an ever increasing number of teachers and the establishment of scholarships for the formation of an elite capable of ensuring Africa's future.

The African leaders greeted with enthusiasm and gratefulness the Canadian government's decision to help financially the French-speaking countries of Africa.

You undoubtedly recall, Mr. Chairman, that on April 24, 1961, the Secretary of State for External Affairs (Mr. Green) announced that the government was setting up a training assistance program for the benefit of French-speaking African states, by providing grants of $300,000 a year.

On that occasion, the Secretary of State for External Affairs had this to say as recorded on page 3930 of *Hansard*:

> The countries to which the scheme would be directed are vitally preoccupied with the serious task of improving their educational facilities and with expanding educational opportunities for their peoples. They have repeatedly expressed their need for scholarships abroad for French-speaking students and for French-speaking teachers in their own countries. Because of our genuine interest in their welfare and progress and because we share a common language with these new states, Canada is in a unique position to render the type of assistance required. It is therefore the intention of the government to ask parliament to appropriate the funds necessary for this purpose once details have been worked out with the provincial educational authorities.

The hon. member for Laurier (Mr. Chevrier), congratulating the government on this move, added the following which appears on page 3931 of *Hansard*:

> [Mr. Asselin.]
>
> In addition, I am particularly glad that the government has decided to confer with provincial authorities regarding the program it intends to submit.

However, I was sorry to learn recently, Mr. Chairman, that the Quebec government had not yet given any answer to the offer made by the federal government.

If there is a government that should support such a proposal, it is the Quebec government, the source of French culture in our country. I urge therefore the government to renew its offer to the Quebec government and, if need be, to remind that government of its responsibilities as concerns African aid.

I congratulate Canada for having shown leadership in this field because already the communists are launching a psychological attack in an effort to convince the new African states to join the communist ideology.

Our ambassador in Paris, Mr. Pierre Dupuy, reminded us of it last fall following a goodwill tour he made on behalf of Canada in those African countries when he said:

> Communist propaganda constantly reminds Africans that in 1917 Russia was an underdeveloped country and that it took less than 50 years to make it into one of the most modern powers. Then why not follow its example?

Mr. Chairman, they also claim that the western parliamentary system is the result of a century of evolution and that it could not provide young and vigorous states with the authority, the decisiveness and the efficiency they need. Finally, they use the old and too well known slogan about colonialism. The degree of penetration of those arguments varies according to the intellectual and political maturity of the listeners. It is easy to influence certain African people with well illustrated pamphlets and periodicals. In Ruanda-Urundi I myself have seen some of the pamphlets illustrating industrial, agricultural, social and cultural progress made in the U.S.S.R. and communist China.

Youth in particular receives special consideration from those groups. No opportunity is lost of recruiting the most intelligent and understanding minds to take them on organized tours of communist countries. Thousands of scholarships are offered to students and others of those emerging countries. It was for them that the friendship university was recently founded in Moscow.

So, I urgently call on all freedom loving peoples to assist Africa before it gives in to communist pressure. It is true that Africa's future will require all kinds of capital but, still more, it will depend on the benevolent understanding of its problems by its genuine friends. The worst mistake, we are told time

and time again, would be to try to transform the African continent into a new America or Russia.

Africa, as we know, has a personality of its own, an originality richly endowed with human virtues. External contributions will be valuable to it to the extent that they will allow it to develop its own consciousness and reveal itself to the world at large.

As Mr. Dupuy also said, Africa is showing us the marvellous phenomenon of having survived in the midst of a turmoil of creative and destructive forces, of vegetal and animal forces, as are no more to be found anywhere else on our planet. But it did more than survive. It has assimilated those forces, it has given them a rhythm which now inspires its art, spirituality and its whole life. And it is thus contributing to the greatness of our common civilization.

So, no wonder that in many of those African states external policies are mainly based on the problems of concern to Africa in general. The greater number of new African states are first of all concerned with their own problems. As exceptions to that rule we might mention Mali and Guinea, which are taking an active part in the discussion of more general matters of international interest.

African states frequently meet to adopt certain stands. In fact, they met recently at Monrovia and at Casablanca, where African chiefs took the opportunity to strengthen the friendly relations that must exist between their countries, as well as to determine the policy to be adopted in the United Nations in regard to colonialism, the Congo, Algeria and all the other matters of concern to their continent.

African states of French language already exert a moderating influence within the Afro-Asiatic bloc in the United Nations. They are not in general interested in taking side in the cold war or in following the Afro-Asiatic group when the latter decides to launch an open attack against countries still practising colonialism. However, they have already supported moderate resolutions to put an end to colonialism. Above all they especially strive, and I repeat "especially", to establish friendly relations with the Canadian delegation and with other bi-cultural countries.

In concluding my remarks on this particular subject, I wish to indicate briefly the decisions taken by those new African countries:

1. They gave vigorous support to the admission of Mauritania to the United Nations.

2. They acted as mediators between France and Algerian nationalists.

3. French-speaking African states opposed the apartheid policy of the government of the Union of South Africa.

4. Concerning the Congo, they supported the recognition of the Kasavubu delegation before the general assembly.

Finally, it is to be noted that they played an active part in the deliberations of certain commissions. For example, I emphasize that my friend Mr. Ernest Gassou of Haute-Volta has been appointed commissioner to supervise the legislative elections in Ruanda-Urundi and that Guinea, Senegal and Mali are all members of the United Nations control commission in the Congo.

The fifteenth session of the United Nations has been called the African session. That is why the discussion of the problems of territories under trusteeship and under mandate were the object of very special attention on the part of the fourth commission.

I had the honour of representing Canada on that commission and I should like to report briefly on the most important discussions that took place there.

The most important resolution supported by Canada concerning the territories under trusteeship was a pressing appeal to the administering powers urging them to give administrative experience to the natives in all sectors of public administration, avoiding every discrimination, so that those territories would have an administration already set up when they reach independence. That resolution was heartily welcomed by the African states and only a few nations still steeped in colonialism opposed it.

A problem which, I think, was very difficult to work out was the future of Ruanda-Urundi, a country under Belgian trusteeship. Let me outline the situation, so that it will be better understood.

Serious disturbances broke out in Ruanda in the fall of 1959. Their cause was the strife for the provisional leadership of the country between the tribes, one called Tutsi, a class of feudal tradition, and the other called Hutu, which had always been the servants of the Tutsi and representing 85 per cent of the population. The Muami, an African term applied to the king of Ruanda, who had left the territory a few months before, identified himself with the Tutsi tribe and his return is, of course, opposed by the tribes who wish to retain power.

Having heard the testimony of the political parties, the fourth commission advised both parties to work together towards the national reconciliation of the country, in order to give it an adequate preparation to independence anticipated for 1961.

After a long discussion, the commission passed two resolutions on Ruanda-Urundi. The purpose of the first resolution was to invite Belgium, the administrative authority,

to grant an unconditional amnesty to all political convicts, in order to bring about a climate of understanding and of reconciliation.

Moreover, the resolution advocated that a round table conference be held by all the political parties of the country, United Nations observers being present, and that afterwards the United Nations supervise the legislative election for the independence of the territory which was anticipated for 1961 as I have mentioned a moment ago.

The second resolution recommended the return of Muami to Ruanda and, for that purpose, the institution of a referendum in order to seek out the opinion of the people on that matter.

When I went to that country, my task was to supervise the amnesty called for by the first resolution, and I must say that the judicial commission of the United Nations has enjoyed, during its work, the closest co-operation on the part of Belgian authorities.

(Text):

The Deputy Chairman: Order. I am sorry to interrupt, but it being one o'clock I do now leave the chair.

At one o'clock the committee took recess.

AFTER RECESS

The committee resumed at 2.30 p.m.

(Translation):

Mr. Asselin: Mr. Chairman, when the house took recess this morning, I was explaining the purpose of the judiciary mission sent to Ruanda-Urundi by the United Nations. I was saying that when a United Nations resolution was submitted, the administrative authorities were ordered to grant unconditional amnesty to the political prisoners of 1959 in the territory of Ruanda-Urundi. Our commission was entrusted especially with the revision of the rulings of the special courts established on that occasion by the administrative authorities. At the conclusion of my remarks this morning, I stated that in accordance with the United Nations resolution, we succeeded in releasing practically all political prisoners who had been jailed following the 1959 uprising. However, I must admit that the release of those political leaders had a disastrous effect, since it gave rise to new disturbances between the tribes. At the present time hundreds of people are killed in that territory every week.

I fear that Ruanda-Urundi will one day be the scene of bloodshed. I do not wish to imply that Belgium is fully responsible for those troubles, but I feel that the United Nations should in the future take a closer look at the social and political conditions prevailing in those emergent countries before giving them their political independence and sovereignty.

Another matter which engaged the attention of the fourth commission concerned the holding of a plebiscite in the south and the north of the Cameroon.

The result of that plebiscite conducted by a United Nations representative showed that the north of the Cameroon wanted to join with Nigeria while the south of the Cameroon wished to unite with the Cameroon Republic, recently created.

The validity of the plebiscite was questioned by the Cameroon Republic on the grounds of fraud and discrimination in the running of the referendum by the United Nations representative and by Great Britain which was the administering authority of the territory. The Cameroon Republic was asking in particular that a committee of the United Nations be set up to investigate the irregularities of that referendum before North Cameroon could be permitted to join with Nigeria. That debate, in my opinion, was one of the most stormy of the fourth commission. Events reached such a climax that during the debate, the delegates of the Cameroon Republic left the meeting with a large number of African representatives and France accused the chairman of showing bias in conducting the proceedings.

On that occasion, the Canadian representative made a very moderate speech, while strongly supporting the report of the United Nations commissioner concerning the holding of the referendum. Canada however refused to support Great Britain's resolution because that would have seriously impaired our prestige with the African countries.

The general assembly adopted the resolution acknowledging the validity of the United Nations referendum by a two thirds majority.

Those are the most important events which marked the fourth commission and especially the second part of the fifteenth session.

Mr. Chairman, I wish to emphasize the devotion and work of the hon. members—government members as well as opposition members and the third party members—who came to New York. I wish to commend the devotion of the government officials who attended that meeting.

The prestige of our country at the United Nations is excellent. For that we are grateful to the parliamentary secretary to the minister (Mr. Nesbitt) and more particularly to the

Secretary of State for External Affairs (Mr. Green) who has a way of asserting himself by his frankness, his loyalty and his tenacity in the discussion of international problems.

The Canadian resolution on disarmament was supported by many delegations, 18 to be exact, because the minister was able to prove to other nations that disarmament is not the business of great powers alone, but that all countries who wish the well-being of humankind must tackle that question to find a quick solution.

In the international sphere, Canada has become an emancipated power which must not be content to act as a negotiating agent between countries, but must stay in the forefront in order to find solutions to world problems.

Finally, Mr. Chairman, Canada is now exerting a beneficial influence in the international community, because all nations understand that we have no colonial past nor any territorial ambitions, but that our sole desire is to save from definite peril the principles of freedom and real democracy, in trying to develop among all peoples of the world the cult of spiritual values, which alone can give this very disturbed world the guarantee of a lasting peace.

(Text):

Mr. Pearson: Mr. Chairman, yesterday, in what I thought was a very impressive contribution to this discussion, my colleague the hon. member for Essex East reminded us that it was 22 years ago on that very day that this House of Commons was called into session to ratify and confirm a declaration of war against, not the German people, but against Nazi tyranny and Nazi aggression. In his very thoughtful and realistic examination of the situation today the Secretary of State for External Affairs informed this committee, and I quote his words, that "the world is hovering on the brink of war". These words were repeated by a man who will have far more to do with the waging of war, if not with the making of the peace, than the Secretary of State for External Affairs. Today that man, Mr. Khrushchev, according to press reports, in Moscow when he said "mankind is on the brink of another military tragedy" which is his way of saying the same thing. We are on the brink of a war which we have been saying to ourselves for years in unthinkable. Everybody is thinking about it now.

In August, 1914, in the realm of opinion and of emotion, war was not unthinkable. Indeed, at that time—and many of us will remember our reaction to the developing circumstances of that month which seems so long ago now—war exercised almost a horrible fascination for many people who knew nothing about it except in terms of the charge of the light brigade or the thin red line. It was that reaction which endangered peace in 1914 and made war perhaps inevitable at that time. There was just enough of that feeling 22 years ago, that war was not unthinkable, to ensure that it happened. If we had felt in the 1930's that war was not only thinkable but likely in view of the policy of Hitler and his Nazi gang, if we had felt that it was thinkable and probable we might not have had it; we might have stopped it. If we had stopped it then we might not be talking about it today.

I think, Mr. Chairman, one danger which we face in the world today is the very opposite to our popular reaction far back in 1914, because we know now that war is so horrible that it literally is unthinkable with the 100 megaton continental destroyer bomb which Khrushchev boasts he can make; and perhaps he can, and also the Americans. If it is so ghastly, then let us not think about it. This is the kind of reaction you get in some quarters in the summer of 1961, the kind of reaction which is reflected on a United States magazine cover which I looked at the other day on which in very black type were the words "Pigskin Preview" and underneath, in smaller type, "Berlin Crisis".

The Secretary of State for External Affairs indicated yesterday, and quite rightly, that the situation is tense and serious. There was in his speech—and I am certainly not criticizing him for this—none of the optimism, dogged and determined optimism, that he has shown in the past. At times he has chided us a little for being too pessimistic, and I am certainly not chiding him for being too optimistic in those days because optimism with endeavour is a good foundation for international activity. Now we are facing a serious and tense situation. He said quite rightly that we should face it in this country and in other countries with cool consideration, neither with despair which would be wrong, nor with panic, which might be fatal. In this situation all of us in this house would wish to approach this subject and subjects related to it on a plane far above that of partisan politics or parliamentary tactics, because it is this kind of situation which emphasizes that there are so many stronger things that unite us than divide us. National unity is essential and I believe is possible in times of national or international crisis.

At the moment the centre of our fears is the city of Berlin, but there are other areas of tension in the world, and our fears in the past ten years have switched from one area of tension to another. While we are concentrating on Berlin and all that it stands for at the moment we also have to worry about—I am

sure the government is not unaware of this, especially the Secretary of State for External Affairs—Southeast Asia, Laos, North Africa, Algeria, Tunis and Cuba on our own hemisphere and Tibet in Asia. All these tensions in a sense are related to each other, and the drama and the tragedy of the crisis shift from one to another. Now it is Berlin which is the centre of the current crisis of a recurrent cold war.

All of us have been listening to a great deal of talk about this current crisis. Over the air, in the newspapers, from official reports and official statements we get an analysis of what is wrong and what is right and what is going on, and we get analyses of the analysis; we get interpretation, and we get interpretations of the interpretation. I think perhaps all of us get sometimes a little foggy and confused as to what is happening and what can be done to prevent its deteriorating into war. All this talk, in my view, especially the words which emanate from communist centres, is too often what Father Pire, the distinguished Belgian priest, and the recipient of a Nobel Peace Prize, once called the dialogue of the deaf. At times the words used do not mean anything, often not even to the people who utter them, certainly not to us who have to listen to them because many words now have no value. That coinage has been debased when words like peace, democracy and non-aggression can be used in the language of communism to mean something exactly the opposite to that which has always been their natural meaning and significance. Mr. Khrushchev, in a message to the French government on September 5, just two or three days ago, is quoted in the press as saying this:

> The people of West Berlin must themselves determine the social-economic system of their city and enter into free relations with any state.

That sentiment, Mr. Chairman, is irreproachable. It is equally irreproachable when it is applied, as it should be applied, not only to Berlin but to East Germany and to all other peoples under foreign domination. Yet, if these words represent the policy of Khrushchev's government and his own personal attitude, we ask ourselves, where is the crisis in West Berlin? He says that the people of West Berlin must themselves determine the social-economic system of their city and enter into free relations with any state, or presumably group of states. So what is the crisis about?

The crisis is not resolved by words like this because we in the west do not take such words at their face value, so deep is our distrust and our fear, with good evidence on which to base that distrust and fear, and because words like that have been contradicted by the same man in other speeches not very long before the one I have just mentioned. It was Mr. Khrushchev, was it not, or some representative of Mr. Khrushchev—I am not sure which—who said not long ago that the Soviet government would not be the first to resume nuclear tests. I think Mr. Khrushchev said that again recently in an interview with Mr. Sulzberger of the New York *Times*.

How can you reconcile that kind of contradiction and how do you get any comfort out of such reassuring statements as the one I have mentioned, especially in the face of some less reassuring ones that appear in the papers today? This is another indication of the gulf that divides us. Perhaps Mr. Khrushchev himself would say, "Oh, well, we are not the first to resume tests", because France, one of the founding and important members of NATO, itself started nuclear tests after he, Mr. Khrushchev, had made his earlier renunciation of tests.

It is because of this feeling that the principles which Mr. Khrushchev has embodied in these words, applied to the situation in West Berlin, and meant no doubt to be reassuring to us, are not reassuring. We must get some concrete assurance in a form that is more effective than words that the principles themselves will be observed. To put it brutally and frankly, we have no faith or little faith in what he says, especially when it is contradicted by what he has said previously and by what he is doing while he speaks.

So we look for some other assurance that will embody and protect these principles, and in the case of Berlin we have had one now for a good many years, as all members know, in the four-power agreement of 1945. The situation which is accepted in that agreement covering Berlin and also a divided Germany, is an anomalous one as we look at it now. It seems to me, with that hindsight which makes everything so much easier, that it was a very foolish agreement indeed to have entered into. But it was a very formal one. The conditions that existed at the time it was entered into, and this may help us to understand why it was done, were very different from what they are now. At the present time, it is unnecessary to underline the fact, there is no good will, no co-operation, no desire to implement this agreement any longer on the Soviet side nor has there been for some time past. In fact, the Russians have made it quite clear to the world that they are determined to alter the present situation in Berlin, to alter that earlier agreement by which the west Berliners were guaranteed freedom and the western allies were guaranteed rights.

Mr. Khrushchev made this perfectly clear at the end of 1958, I believe it was, when he said frankly what he was going to do and he even set a time limit within which he would do it. Our position on the western side, a position that I think has been rightly taken by the governments concerned, is that we cannot admit that agreements of this kind can be abrogated by force or the threat of force. It would be, of course, the very negation of international diplomacy. It would make good international relations impossible. It would create an impossible situation if the west yielded to this kind of atomic blackmail, as it has been called. It would set up a kind of chain reaction. We would go from pressure to pressure and yielding to yielding until we would not know where it would ends. As the French proverb says: "l'appetit vient en mangeant".

Surely we have learned since 1914, Mr. Chairman, that peace is not ensured by surrender to blackmail. Indeed, war is sometimes made inevitable by such surrender. So we ask ourselves: Is there no choice then between the impossible alternatives of suicide or surrender? There must be. But I do not think we will save ourselves from this situation and others like it by merely relying on armed force to avoid a choice.

We have to be armed in the west. Unilateral disarmament would be an invitation to catastrophe, but armaments themselves will not do the job. The dilemma with which we are faced, this awful choice, which some people through oversimplification of the problem, try to force on us, of suicide by atomic war or surrender by yielding to atomic threats; this necessity, as some see it, of relying primarily, if not exclusively, on arms to avoid a choice; this dilemma and the impossibility of resolving it by arms alone, have been very well put by professor Hugh Seaton Watson in what I thought was a very wise book entitled "Neither War Nor Peace". I quote a paragraph from that book, where he said:

> One may agree that it would indeed be better to accept communist domination or any other form of totalitarian tyranny in the hope that with the passage of time later generations may restore liberty rather than see the whole human race destroyed, but this is not in fact the alternative that faces the governments of the west.

Or, I might interpolate, the peoples of the west. He goes on:

> The choice is not between the certainty of destruction of the human race and the certainty of communist domination but between the possibility of destruction if the west retains atomic weapons and the certainty of Soviet domination at least of Europe if the west unilaterally renounces atomic weapons.

Then he adds this sentence with which I think all of us will agree:

> If the alternative is put in this form most non-communist Europeans and Americans would prefer the risk to the certainty.

We have heard it said more than once in this debate, Mr. Chairman, that there are people in Canada who say—I know I have talked to some of them who have spoken along these lines and there have been letters in the press expressing the same view—"we will not fight for Berlin or for Germany". To use the words used by the hon. member for Kootenay West in his speech, that would be a monstrous absurdity. I think he put it that way, and it would be a monstrous absurdity in one sense. Many of us have no cause to love those elements in German society which were responsible for the war of 1914 and the war of 1939. It seems to be almost unnatural to line ourselves up alongside those people some of whom—but only some—were responsible for what happened from 1933 to 1945. But Mr. Chairman, surely this is the wrong approach to the problem and represents a misunderstanding of the position. We would not in any event be fighting for Berlin any more than we fought for Korea or for Danzig. We would only, if we were obliged to do so, be resisting aggression, fighting for a principle or fighting for a freedom which is not limited to any one small area of the world.

If we put the problem in those other terms, that we would be fighting for the Germans, we will get into nothing but misunderstanding and trouble. As a matter of fact, if after 1919 we had shown more understanding of those forces in Germany which were just as much opposed as we were to Kaiserism and all it stood for, and if after 1919 we had given the Social Democratic regime in Germany more support and more understanding, we might not have had to fight Nazi aggression and Nazi tyranny in 1939. Therefore, we surely do not want to do anything, by ill considered observations about Germany and about Berlin either, which would discourage those in Germany who are now governing a democratic republic.

As I have said then, the alternative in certain contingencies to resistance against aggression, if that were forced—and it is the only kind of resistance we would be taking part in—would be to surrender to force or the threat of force backed up by nuclear blackmail exploiting our fears. In that case we would have become the captive of our fears by giving in; just as we would become the victim of our fears if we took panic action. I suggest then, Mr. Chairman—and I do not think there will be any disagreement with this statement—that we in the west cannot yield to force or blackmail. As it is so often

put, we must stand firm. But as Walter Lippmann mentioned in his column this morning and it has been said by others previously, standing firm is not the same as standing pat. We must realize—and I believe the government does so—that the present situation in Berlin and in Germany created at a time when circumstances were far different than they are today, is not going to last indefinitely and that change will come. In the period between the two wars we used to talk a great deal about the necessity for peaceful change; and it was resistance to peaceful change from 1919 to 1939 that had something to do with the catastrophe of 1939. So change will come. But it must be change not brought about by force and not brought about by betrayal, which I think is a far better way of putting it than by saying we must not give in to appeasement. Force today in terms of armed action, which would mean nuclear war, cannot reunite a divided country any more than force of that kind today can liberate people from the ruins which that kind of liberation would bring about. Surely there must be another and a better way. This necessity for eventual and peaceful change—and I return to it—surely is shown by the very nature of the earlier agreements that were made. At the time they were made those agreements were not intended to be permanent even by those who made them inasmuch as they visualized the eventual reunification of Germany through co-operation between the occupying powers and Berlin as the capital of a united Germany. Therefore, Mr. Chairman, we must be realistic about this situation. I think the German feeling for unity must be respected, of course. However, that does not mean that we should give any encouragement to any German feeling for reunification by force or action which would risk imminent war for such unification. Nor does it mean that we should ignore or encourage our German friends and allies to ignore the problems of the eastern boundary, the Oder-Neisse line or the problem of Polish and Russian fears and susceptibilities which are very real and genuine. These susceptibilities are understandable in the light of the human and material destruction these people have suffered in wars from German invaders. I think also, in order to be realistic, we must realize that a Russian rejection—because that is what it is—of a non-communist united Germany, which to them would be anti-communist, in association with NATO and the west, is strong and it is opposed by equally strong western insistence on the right of Germany to remain in NATO for defence and indeed for European development; and we are not likely to weaken on that score. That is a dilemma and I cannot now see any way out of it. We are going to have to live with it as we shall have to live with many unpleasant things for some time. However, the problem now is to prevent this dilemma from deteriorating into a crisis and the use of force. All this means that Berlin as a problem cannot be isolated from the German problem and from the whole problem of relationships inside the cold war.

[Mr. Pearson.]

When we talk about the necessity of negotiating these matters, we know that it will take a long time. I do not think we in the west should refuse, for instance, to consider the possibility, as part of a general settlement, of disengagement or pulling back of the forces from the east and from the west. I think that this is a negotiable matter. Very respectable western leaders have put that suggestion forward in the past, including Sir Anthony Eden. It is negotiable but it is certainly not negotiable on Soviet terms as we now know them and it is not negotiable either at the expense of the freedom of any section of the German people. I do not know whether or not the whole position of our collective security arrangements in Europe are negotiable because I do not have all the facts in order to enable me to come to a judgment on that matter. However, I know or at least I am sure in my own mind that the proposals put forward in the New Democratic party resolutions dealing with this particular matter are not those to which I could subscribe. I read one sentence from these proposals:

> To relieve tensions Canada should press for a demilitarized zone in central Europe.

I think that is arguable and certainly should be looked into. But then it goes on to say this:

> To relieve tensions Canada should press for the simultaneous disbandment of the Warsaw and the NATO pacts.

That puts these two collective security arrangements on exactly the same basis. It assumes that if NATO and the Warsaw pacts were abrogated the results would be equal, in terms of security. We know, surely, that this is not the case and disbandment of NATO would be the abandonment of free peoples. The break up of NATO would mean that its democratic members would be split apart and collective action would go.

What would the break up of the Warsaw pact mean? Perhaps nothing at all. Perhaps it would be almost as simple without the pact as with it for the Soviet government to control and determine the action of the armies of the present members of the Warsaw pact. Therefore to have these two organizations on the same level of importance so far as international security is concerned, and to suggest that their simultaneous disbandment would

not prejudice the situation in any way to our disadvantage seems to me to be entirely unrealistic and indeed dangerous.

If the existing guarantee of Berlin, which goes back to 1944, is a shaky one in present circumstances, I suspect it will become even shakier when the responsibility on the communist side for carrying it out is transferred, as it is going to be transferred, to an East German communist government as a result of a peace treaty made with that government by the Soviet union. Because after that time so far as the Russians are concerned it will be the responsibility of the East German satellite under Soviet domination to observe the stipulations of that agreement.

This would mean a transfer of authority and a recognition of East Germany as an independent, sovereign state by a great many nations, particularly the communist states in the world. A great many of them have already given this recognition. This would perhaps mean a deterioration of the situation. It might mean additional dangers, but I cannot myself think this is a matter over which there need be war.

The Prime Minister in his speech at Winnipeg, to which I have already referred, asked a rhetorical question in that connection. I think it was a good one. I cannot quote his exact words but it was to the effect: "People say, is the recognition of the east German government, is that alone the kind of thing that should result in a crisis which would involve war?" I do not think so. After all, we recognize in fact, if not in law, what the Minister of Agriculture calls the Chinese democratic republic and we do business with it. Perhaps we will find ourselves doing business shortly with the "East German democratic republic". I would hate to see the western powers adopt an intransigent position on that particular point. But they have the right, of course, to do what can be done and must be done to insist that this transfer and this recognition shall not affect the rights and freedoms of the people of West Berlin or the rights of access to West Berlin by those who now have them.

Under this change, so we are told, the allied forces would still have the right to be in Berlin and the right to get to Berlin. Their presence there is still the symbol of the freedom of the people and the symbol of western rights. I think it would have to be preserved. And we now have in Berlin an increase in western military strength following the deterioration of the position there after the closing of the boundary and as a prelude to the transfer of all authority to the East German communist republic through a peace treaty with that government.

We now have additional western soldiers there. We have those soldiers armed and equipped and facing East German soldiers who are armed and equipped. We learn from the newspapers and from the picture magazines that they are only a few feet apart. They are pointing guns at each other. The other day there was a water cannon fired and there was a reply by a tear gas bomb. One cannot help having nightmares over the possibility of something else being exchanged across that tense and nervous border. Unless there is some way in which that situation can be stabilized these people will continue facing each other at 10 paces, which is usually the prelude to a duel.

What can be done about this? If the guarantee we have, and which we are entitled in the west to insist upon because of the freedoms that it gives the people of West Berlin, is shaky, and if it is getting shakier, and if it is creating these tensions which might explode any minute, is there anything we can do by negotiation to stabilize the position without giving away any essential rights?

I come back to the proposition which I have made and which others have made in the last few weeks, and indeed the last few months. I remember talking about this when Mr. Khrushchev said sometime ago that he was going to have a peace treaty on a certain date with East Germany and after that there would be trouble if there was not some change made on the western side.

An alternative form of guarantee which I think is negotiable and one which I think has the best chance of working out—although I do not underestimate the difficulties—would be the United Nations replacing the existing agreement with a formal international guarantee; with a United Nations police force inside Berlin and United Nations police forces on the access routes to Berlin to secure that guarantee.

I know the United Nations has had a pretty rough time lately and some of the hopes, and indeed some of the faith people had in the ability of this world organization to help guarantee international peace and security and to provide the kind of international force behind international law which would strengthen peace and security have disappeared in the unhappy developments of the last year or so.

I know the Soviet union—the minister spoke about this yesterday, and other hon. members have spoken about it—has given at least an indication in its attitude at the United Nations that it is not now too concerned whether or not the organization survives. Perhaps I had better put it in this way, that it is more and more insistent that if

it is to survive it will be in a form that will be acceptable to the communist world. That means in a form that ensures there will be a communist veto over every activity of the organization from the secretary general down. I refer to the now famous troika theory of international organization. But this danger to the United Nations does not surely alter the fact that we should work even harder to strengthen it. This is an opportunity to that end.

I am sure the Secretary of State for External Affairs who has already given a strong indication of his loyalty to this organization, will desire to make it stronger in the interests of peace. I am sure he will do what he can to strengthen it in this connection.

Somehow, perhaps through the "mobilization of the middle", the United Nations must be brought in to guarantee the freedom of West Berlin within the context of Mr. Khrushchev's own statement, about which he should continually be reminded. The United Nations could also guarantee the rights of access of the western powers to Berlin.

This could be done through a United Nations police force. Perhaps it would be possible to transfer some of the United Nations police force from Palestine until we had a separate group for this particular purpose. Perhaps it would also be possible to strengthen the presence of the United Nations in Berlin, by moving some of its activities into that city. I read this morning a letter in the Montreal *Gazette* which mentioned the idea of moving into Berlin of some of the European activities of the United Nations. United Nations agencies could be moved into Berlin and it could become a centre of international activity. Geneva is already becoming crowded, so some of the European activities and agencies of the United Nations and those concerning the Middle East, could be transferred into Berlin. It should become a permanent centre of United Nations activity. This might create a situation in Berlin over which it would be more difficult for communist powers to ride roughshod than if we have two or three thousand allied troops behind a wall there.

I would hope that this idea could be pursued at the forthcoming general assembly. The important thing, surely, is to remember that the present situation itself is not permanent in Berlin or in a disunited Germany, but also to remember that any changing of that situation by force will provoke resistance which might mean war. There should be no doubt in anybody's mind on either side that this might happen. Then, we would have to start finding another way, making a change at this time, which 10 or 15 years from now would become inevitable in any event. We must use the United Nations for this purpose.

Now, I admit that all this has been made more difficult by the recent announcement of the resumption of nuclear tests. Every member of the house who has spoken in this debate, Mr. Chairman, has mentioned this unhappy development which represented, I think it is fair to say, a cynical betrayal by the Soviet union of the hopes which up until a few months ago at least we had placed in the possibility of a united front in this one aspect of disarmament. This is a phase of disarmament to which the Soviet union itself, in years gone by, attached the greatest importance. But now, and I do not think I am putting it too strongly, they have used it for blackmail by terror.

I do not know—I ask—whether any protest has been made by the Canadian government to the Soviet union, except in public statements, over this resumption of nuclear tests and the torpedoing of the Geneva conference at a time when the positions, on paper at least, were coming closer together.

If I have any criticism of the technique of disarmament negotiation as exemplified by this Geneva conference, and it applies to other disarmament meetings going back 10 or 12 years now, it is that we in the west allow ourselves slowly and gradually to be pushed into positions we would not accept at the beginning. By the time we get to a position of acceptance, then something else happens and the Soviet union refuses to accept the new position. A very good example of this is what has been happening in Geneva in the last few months. The last offer which was made, if it had been made a year ago, would have been an infinitely more difficult one for the Russians to refuse than when it was made a few weeks ago. This is an unhappy development, then, which is making negotiation more difficult. But it makes such negotiation more essential than ever before.

There is another aspect of this problem which has been mentioned by more than one speaker, and it is a growingly important aspect. I refer to the influence that can be brought to bear on this whole issue by what are now known as the uncommitted countries. I was at an unofficial, private conference in Oxford a few days ago at which there were many delegates from the uncommitted countries. But, they never talked of themselves as being uncommitted but as being representatives of the third world. What can this third world do to redress the balance between the powers of the west and the east? The Belgrade conference was an interesting indication of the possibilities and limitations of this new force in the world.

It is true that the resumption of tests by the Russians did, in a sense, if I may use a colloquialism, take the heat off the attack on colonialism which otherwise would have dominated the discussions at Belgrade. It is true also that this conference in Belgrade did take some action, as a third force, in trying to get the situation solved, as they saw the situation, in Moscow and in Washington. If such a result was achieved in Belgrade, I think we owe a great deal to Mr. Nehru, as one additional contribution he has made to peace. In all the talk about colonialism, neo-colonialism and the iniquities of western imperialism that came out of that conference, Mr. Nehru had as much reason from past history to join in that talk as anybody else, but it was his cool, calm voice which pointed out that the danger now is not colonialism, it is destruction. I think he got that conference to take a line which it would not have otherwise followed if he had not been there. Perhaps this great man, one of the great men in our contemporary world, could be persuaded to take a lead at the forthcoming meetings of the United Nations to mobilize this feeling in the middle powers that humanity is not going to be permitted to be destroyed by the great powers. I understand he is going to Washington soon, and I hope he will also be coming to Ottawa on this visit.

There is one factor in this mobilization of the uncommitted nations which we cannot ignore. That is their underlying suspicion of what they still call colonial imperialism and neo-colonialism. I learned last week as I have learned on so many occasions in the past, that to many of these countries who have recently gained independence, colonialism is thought of in terms of conquest and occupation from across the sea, of racialism and discrimination. But this kind of colonialism, what is known as salt water colonialism, is on the way out. The pro-consuls have departed or they are going. There is no danger to free peoples from them now except in one or two areas of the world which are a little behind the times. The balance of good and evil that came from occupation by imperial powers across the water, can be left to history to decide. Perhaps it should be forgotten today in the face of this greater and immediate danger.

Furthermore these new peoples should realize that while that old type of colonialism is on the way out, there is a far more dangerous form of colonialism which is, up to the present, still on the way in. I refer to the colonialism not of imperial forces going across an ocean but in legions moving across a border in the service of communist imperialism and destroying old nations and old civilizations. The nature of this new imperialism was made quite clear by Mr. Khrushchev at the communist congress at the beginning of this year when he said, and communist doctrine is now officially established along this line, that it is the right and duty of communist powers, communist parties and communist peoples throughout the world to assist others in the struggle for liberation. This is his way of referring to these wars of which the communists approve. It is that spurious doctrine that has caused Russians and Chinese to cross borders and destroy ancient and civilized societies.

I know that at the forthcoming meeting of the United Nations assembly we will be facing, as we have been facing in the past, resolutions condemning colonialism. The Prime Minister made a strong speech last year on this subject. After these speeches have been made and when the resolutions are being discussed in committee, that is the time to try to alter these resolutions to make them convey the right meaning of colonialism. We must insist on that kind of discussion, making sure all nations are made aware, as we are aware, of what the new colonialism means.

Before I conclude, Mr. Chairman, I should like to say a word about NATO because the minister and others have said a great deal about it. I should like to refer to the influence of NATO on these developments, what NATO can do and what NATO is not doing. I recall that a year ago in this house I talked about NATO and made a plea for a stronger NATO. I was rather gloomy about some of the prospects for NATO, and I talked about it being at the crossroads. I was chided by the Secretary of State for External Affairs for being so pessimistic. Everything I have read about NATO in the last year has confirmed me in my anxiety. If the members of NATO do not get closer together, they are going to get farther apart. The Secretary of State for External Affairs has said that this is a defensive alliance. Of course, it is a defensive alliance to us but it is not to those who are opposing us—at least, so they say. We are told that NATO must be kept strong, and that is true. However, in this difficult situation strength is more than military strength. It is also unity.

But what worries me about NATO, and I have no doubt it worries the Secretary of State for External Affairs too, is the disunity that appears now in the co-ordination of foreign policy among NATO members.

The Secretary of State for External Affairs has said that there cannot be any smaller directorate inside NATO to tell the other NATO members what they should or should not do. I agree there must be equality inside NATO in that area even though there cannot be equality of power or responsibility. But if

there is to be that kind of equality there should be a much greater effort made than has been made in the last ten or 15 years in NATO to co-ordinate and unify the foreign policies of the members of NATO before a crisis develops.

A spokesman of the government, I think the Prime Minister, said after the meeting of the foreign ministers of the three main western powers in Paris last August, that this showed how great the unity of NATO was in the face of threats from the Soviet union. Unity in the face of threats is always an immediate result in our coalition. But that meeting also showed, if the reports I read were at all accurate, that while there was this kind of unity against aggression there was also disunity on how that threat of aggression should be met. I think we must somehow do more than we have in the past to unify foreign policy of the NATO members or we will not be able to co-ordinate defence policy and stand united against aggression.

In this connection I wish to repeat what my friend the hon. member for Essex East said about a sentence in the resolution of the New Democratic party with respect to NATO and foreign policy. That sentence has been placed on the record before, but I wish to repeat it:

> The New party believes that we should seek a reappraisal and change of NATO's policies and objectives.

I have no quarrel with that. We should always be reappraising and re-examining NATO's policies and objectives and I have made that statement myself more than once. The resolution goes on to state:

> The New party believes that the extension of nuclear weapons to any further states and alliances threatens disaster to the world. It therefore opposes Canada's troops being supplied with such weapons at home or abroad. At present, except for those nations which have independently developed atomic capacity, neither NATO itself nor its members individually possess or control nuclear warheads.

I think that is true, except for the United States, the United Kingdom and France. The following is the part of the resolution with which I do not agree. It reads:

> Should they do so, Canada must make it clear that it cannot remain in the alliance.

In other words, should any of the other members of NATO accept nuclear warheads either nationally or presumably under NATO control, Canada must make it clear that Canada cannot remain in the alliance. For instance, if the Netherlands inside NATO accepted nuclear warheads under Netherlands control or presumably under NATO control, Canada should withdraw from the alliance. I wish to make it perfectly clear that our party does not subscribe to any doctrine of that nature. We do agree, however, that there must be made a much greater effort inside NATO in the field of co-ordination of foreign policy and planning in the future than there has been in the past; that collective policies in NATO must be worked out in advance to the greatest possible extent rather than left at times to the impulsive reaction of individual members. There is a weakness here which should be corrected in the planning inside the alliance.

Surely, Mr. Chairman, the blocking off of East Berlin by the east German government was foreseen by the governments represented in the NATO council. It must have been obvious that this was going to happen before long. The communist leaders told us it was going to happen. If that is the case, were plans made inside NATO to meet that particular emergency when it occurred? Mr. Khrushchev told us about it in 1958, but when it happened one received the impression that it took the western alliance by surprise. In saying that I appreciate that I do not have all of the knowledge and facts and therefore I do not speak dogmatically on these matters.

We know at this moment that the attempted blocking off of access to Berlin may occur, the attempt is likely to be made; I put it no higher than that. Have we in the NATO alliance agreed plans to meet that blockade or will we react impulsively after the emergency situation develops? You can put this particular exigency in frightening concrete terms if you so desire. What do we do now in the western alliance if a convoy is stopped by the east German forces on the access road to Berlin or if a plane is forced down in the corridor to Berlin? If that should happen, has NATO an agreed policy as to what should be done? Have they made clear to the other side what is likely to happen if it is tried? If we are going to resist this sort of thing because it is aggression by force, have we enough force in NATO in Europe to ensure that it can be made effective without—and this is the terrifying prospect—falling back on nuclear retaliation. Surely that is the most critical question that faces the world at the present time and it is focused right on this particular situation in terms of this particular possibility.

Of course, I am not asking the government to tell the committee what action the NATO governments are proposing to take in a situation of this kind. I am asking whether the NATO governments are looking ahead and planning to take united action in such an emergency so there will be no temptation on the part of any single government in NATO to take impulsive action under pressures which perhaps may not be wise.

As I have said outside the house I am without knowledge of all the facts and am

therefore not being too critical of this, but I think the United States reaction the other day in resuming nuclear tests was obviously taken under great pressure—congressional or pentagon, or both, I do not know—but it was taken at a time when, if it could have been put off for a few days or weeks, the United States might have made a great impact on the political cold war at the forthcoming United Nations assembly. Because that action was taken under pressure perhaps some of that advantage has been thrown away. I hope, therefore, if we have to face these emergency situations in the future—and I have just mentioned two of them—we will be considering and planning in advance what course we will take and it will not be left to any power to act quickly and perhaps, because we are all human, impulsively, when the emergency takes place.

What is required as the minister pointed out so well yesterday is wisdom and calm resolution as we face these awful situations. What is required is a policy planned and agreed in advance. What is required is the avoidance of sudden policies which, if you like, throw us out into outer space without having made any provision for diplomatic re-entry. What is required is the avoidance of impulsive, panicky, sudden reactions. What is required is a policy which weighs all the risks and opportunities; which establishes the price to pay for peace without the loss of freedom; which realizes what nuclear war means but also makes clear the risk of surrender to the threat of it. As someone said yesterday speaking in the debate, we will not be respected by being weak. That is true, but we will not be respected either by being panicky or rash as was also said yesterday.

As the minister pointed out, a great deal of sacrifice and effort will be required over a long time, sacrifice and effort as never before. As the Pope reminded us yesterday in a statement from Rome, peace is not a luxury. Creative peace has to be bought and paid for by those who wish to enjoy it. That kind of peace is worth a very high price. Perhaps I may be pardoned for quoting what I said on this very point as far back as 1951. I said this:

> That kind of peace is worth paying for. The military dangers which threaten the free world at many points are so grave that we will all have to pay a substantial price to protect the peace we value.

This was ten years ago. I continue:

> We will have to rearm in co-operation with our allies. We will have to pay for rearmament through heavier taxation. We will have to work harder. We will have to forgo some of the luxuries to which we had looked forward. I am sure that Canadians will not complain of these sacrifices when they remember the cause in which they are made.

I went on:

> But there is one price which we will not pay even to secure peace. There are some things we value even more than peace. We will not pay for it by sacrificing our own freedom or the freedom of other countries.

I do not believe that we will have to pay that price. I cannot believe it. Have the resources of man, man's mind, man's heart, man's soul, sunk so low that we will have to pay that price for the avoidance of planetary destruction?

President de Gaulle said on September 5 —and I must say I did not think too highly of those particular words:

> War whatever it might bring to the west, would certainly result in the complete overturning of the Soviet regime.

It will do that, but it will result in far more than that, the destruction of vast areas and peoples of this planet, the overturning of much more than the Soviet regime. A nuclear holocaust over Berlin at this time—and we are talking about that; we are told we are on the brink of it—would be grotesque in its absurdity; it would be complete in its consequences and it would be all embracing in its destruction. This must not happen. And so I say, Mr. Chairman—and as I conclude I come back to where I was a few moments ago —let world opinion, expressed through the United Nations, on the eve of this assembly, declare that it will not happen and take action to prevent it by the mobilization of world opinion in the assembly of the world. Canada can play and has played a good part in this kind of mobilization. I am sure that Canada will play a good and strong part at the forthcoming assembly in the mobilization of opinion to reject extermination. Therefore, let us return then to the United Nations in this crisis and let us return to the force which, with all its weaknesses, it can exert. I have never seen this put in better words than these, and as I conclude I may be permitted to read them. They appeared in the *Saturday Review* under the name of Norman Cousins. This is what he said on this point:

> The vital alternative—

That is to national suicide or national survival—

> —is a massive attempt through the United Nations to relate the crisis of Berlin to the larger crisis facing the world. That larger crisis is represented by the absence of effective law in the relationships of nations, and the likelihood of aggression in a situation in which nations are allowed to decide for themselves what their security requires.
>
> Mr. Khrushchev has warned that he will not be intimidated by what the United Nations may decide. If this is the case, then this should be the central issue, rather than Berlin alone. If the Soviet wishes to take the position that it is stonily opposed to any attempt to settle differences among nations on the basis of world law and world will, then the entire human community should consider the implications of this fact. In any event,

the issue of Berlin is not just whether the United States is right or the Soviet union is right. The issue is whether the contending nations have the right to proceed without regard for the lives and opinions of others. Mankind is involved and mankind has a right to be consulted. There can be no more hideous arrogance than is represented by a policy that involves other peoples without their fullest participation in any determination.

Not until the United Nations is made central in any attack on the Berlin problem, and not until the power of world public opinion is tapped, can we or anyone say that the only alternative to Soviet intransigence in Berlin is nuclear force.

You may say, Mr. Chairman, that this is vague idealism. Well, perhaps it is, but surely it is the only kind of thing in the long run, which can save us from annihilation. Last night the hon. member for Niagara Falls said that "Canada has no preordained destiny." Our destiny will be what we deserve and work for. Well, Canada has no preordained destiny; neither has the world. Our destiny in the world is what we make it, and we can make it today, if we so desire, one which will make possible the good life for all people beyond the dreams of all previous generations, or we can make it a wasteland of ruin and destruction. As the Secretary of State for External Affairs said, and I conclude with his words, "We are on the brink".

Mr. Macdonnell: Mr. Chairman, I regard it as an honour as well as a responsibility to take a part, however small, in this debate which deals with matters of such inexpressible gravity. We have just listened to a speech from a highly respected member of this house who has experience beyond almost any of us in external affairs. He talked plainly with no attempt to conceal the gravity of the situation we face.

As I listened yesterday to the Secretary of State for External Affairs, who has worked so assiduously on these questions since he took on his present job and has come to know so much of the world, I was struck with the fact of the grave words he used. I should like to quote a few of them because he is calling on us to make efforts and sacrifices such as we have known in the past. In fact he calls on us as possibly having to do things that we knew only in wartime. We have never learned, so far as I can discover, that the state deserves any service in peacetime such as we gave in wartime. I should now like to read a word or two from what the minister said yesterday as to the challenge we face. He said, as reported in the *Globe and Mail* of this morning:

Perhaps we have had enough of the soft life anyway. But the road ahead is certainly going to be hard and there will be tension for a long, long time. We might just as well face that fact. From Canadians courage will be required, both physical and moral, and sacrifice, and I believe above all, a return to our deep abiding fundamental faiths. If we face this challenge we will win through.

I also wish to refer to the speech made last Saturday, I think it was, by the Prime Minister to the bar association because I welcomed so greatly what he said then. It seemed to me he gave a very much needed lead all over the world when he said quite frankly that we could not expect everything we wanted. He said that we should not expect to gain all our ends. Any final solution he said, is bound to contain "certain elements distasteful to the west" as well as "features unpalatable to the U.S.S.R." One of the things I want to say today—I hope perhaps it may win some hearing—is that I think we have got into the habit of dividing the world into two kinds of people, people who believe in the capitalist system and are good and people who believe in the socialist or communist system and are bad. I think this is a wholly artificial and even childish attitude.

Within the last generation we have worked twice with the Russians in wartime, and were we glad to have them. It almost seems a perversity of fate that we now find ourselves in the position in which we are. Nevertheless I hope we will never despair and I see no reason to despair. Even today there comes some encouragement. I think the interview between Khrushchev and the United States journalist, Sulzberger, shows that there is more than a ray of hope. If Khrushchev had said, "We can smash you all to pieces and we are going to be sitting pretty", I would have been worried. I have not read the full text but I understand Khrushchev said, in effect, "We will both be smashed up". That statement seems to me a great step forward.

I always have it in the back of my mind that Khrushchev, like everyone else in such a position, may be doing a certain amount of bluffing and that he may even occasionally have a quiet laugh at the consternation he is causing. After the interview he gave to Sulzberger, no one will make me believe that he is going to push off with all the chances that pressing the button would carry.

I am not going to attempt to discuss high political questions or questions of strategy. I am not sufficiently versed in them and I think they have been dealt with adequately. All I aim to do today is to say some things which perhaps may win credence as to what the ordinary man should be doing at this time and where people who are not in government, who are not in diplomacy, just ordinary guys, you might say, living their lives, come into the picture. I should like to speak along that line.

I like to look back. I was thinking today of the irony of the situation. I, unfortunately,

can look back to 1914. I remember how we thanked God for the Russians. I remember what terrible anxieties we went through when they cracked up in the winter of 1917. As I read the lives of the leaders of those days I realize that I did not understand the terrible strains they were under in the winter of 1917-18 before we had the great German attack in March. That was our experience with the Russians and it was the same again in the second world war after a false start, if you like. Nevertheless, you will remember what Churchill said about them when they entered the conflict. He said in effect that he might not approve of everything they did but they were good soldiers and we were glad to have them. That is a free paraphrase of what he said but that is its effect and we certainly were glad to have them.

Then we came to the time after the war and we encountered ideological difficulties which were so great, and which we have allowed to become so decisive. I sometimes wonder whether we have needed to allow them to become so great. I am going to make a great confession. I have socialist friends. I go and have dinner in their houses. Apparently there are certain kinds of socialists who are not respectable but I do not think their viewpoint prevails too much in our Canadian thinking. As I read United States publications, however, I sometimes wonder where their tirades are taking them.

I think we should remind ourselves that we are talking about ideologies. For some centuries the Protestants and the Catholics tore each other to pieces. They were all good Christians but they were busy tearing each other to pieces. They do not do it so much now. We have learned how to live together and I think we have got to learn something from that experience so far as our relations with the Russians are concerned. In my opinion it is terribly important that we should. My friend asks me if that includes Presbyterians. I realize that Presbyterians are a tough breed but I think it does. I think there is a basis of reasonableness in a Presbyterian if you pursue it far enough.

Mr. Nowlan: It is a long pursuit.

Mr. Macdonnell: Well, between the Baptists and the Presbyterians it may be about 50-50. I want to introduce a word which I understand has become almost a naughty word in the United States, the word "coexistence". Apparently it has now come to mean almost the same as appeasement which, of course, was a very naughty word in the 30's particularly. I want to take the word "coexistence" and ask hon. members to consider what it means. We know, of course, what it means, literally. In plain words it just means living together.

I was interested to find that that great historian Toynbee, who surveys the centuries in the same way most of us look back on last week, makes this comment which I think is worth reading. It is quite short and I believe it is profoundly true. He said:

> Now for the first time in history the whole human race has been united on the military plane.

That, I suppose, is true and if it is true it is a truth that affects all of us profoundly—the whole world united on the military plane. You can go on from that and argue that in view of that fact there is only one thing for the world to do and that is to become united on other planes. At any rate, in the meantime surely any sensible person is entitled to say "coexistence".

What does coexistence mean? First of all I think it means that we recognize that we are not always in the right. In my opinion that is important. We are extremely critical of the Russians now because they make rather devastating remarks about us, our way of life, our society, and what they are going to do to us, but let us not forget that for a long time, particularly after the first war when socialism and communism were young, we were very high and mighty. We proclaimed to the world that they never could succeed and in fact we treated them with a good deal of disdain. It is not altogether surprising that they take a critical view of us. Nevertheless, do not forget that even after all that, when the second war came and common sense prevailed we urged them to join us and they did join us and were of great help, as we know.

I feel that coexistence implies two things. As I have tried to say, it implies give and take. As the Prime Minister said, it does not mean that we should always get our own way. It does not mean that we think we are always right. In his speech I thought the Prime Minister was very wise in abandoning the pretense that everything we did was right and that if there were negotiations we must get everything and give nothing. I am not at all sure that he has not already had some influence in the world diplomacy as a result of that speech.

I am glad to see that Khrushchev, whatever his motives are, is again suggesting negotiation and also, as I said a moment ago, he is not pretending that if the ultimate evil came Russia would come out of it easily. As I said, coexistence implies two things, the first being give and take. In the second place, it implies that we believe that there are certain good things that the other people have, certain things from which we can learn, certain things which our way of life can get from them, certain ways in which we can associate happily with each other. I feel there should be

far more of that kind of thing than there is. Suppose you could imagine such a state of affairs, as the thought which occurred to me this morning, that a group of mad men got into power in Canada and in the United States and set out to bring the two countries to war. I think the citizens of Canada and United States would sit back and laugh at them. I know that is a fantastic suggestion but I am only making it because it seems to me we should not pretend to ourselves that there is no use having anything to do with the individual Russian, that he does not count.

There was a popular play many years ago involving a little principality on the north-west frontier of India. A highly sophisticated and educated Cambridge man—there are educated Cambridge men—was the head of the principality. A brutal and horrible religious ceremony was going to take place. One of his Cambridge friends said, "Surely you are not going to stand by and let that kind of thing happen". "Look", he said, "even the most absolute monarch depends on the consent of the governed. My rule would not last 24 hours if I tried to stop it." That is what he said and I am not at all sure there is not a basic truth in it. When people say that the Russians are ready to rebel it is never very convincing to me. Incidentally, if I may digress for a moment I should like to refer to a very interesting letter which I commend to everyone in this chamber. It was from a man in Moscow. It was addressed to the *Globe and Mail* which was sporting enough to publish it. It was quite an attack on the *Globe and Mail* or an editorial in the *Globe and Mail*. As I remember it, the editorial was headed "The Servile State". In any event the word "servile" was in it. I took this article to the publisher. I did not see him but I left a message for him congratulating him on publishing the editorial and saying, "I want you to read that editorial. I think you will find a good many things in it for you and me to answer". This letter was reasonably written and was really an attempt to answer the suggestion that in Russia they were being tyrannized over and that they hated what was happening. I do not think we can believe that is the situation. You cannot give the figures as to Russian increase in production, as to what they have done in the realm of science which we used to jeer at not so many years ago, without having the feeling that these are people of great achievement.

What I wish to say and to get across is what can be done by the ordinary man. We have in this country many people who know a great deal about Russian civilization. I think of the people who are interested in music, in the ballet and in art. They know a great deal about those matters. They surpass the rest of us, including myself, who know almost nothing about these matters. Should we not face the situation if we believe in coexistence. As it was put by a friend of mine the other day, it is a question of coexistence or no existence. That remark is worth thinking about. I wish I had thought of it myself. If that it true—and I am speaking of the ordinary citizen—we cannot leave public relations just to the few hard pressed people who are bearing the heavy burden of government.

When you come to think of what should be done you may say, "Well, is anything going to be done?" The answer is, no, nothing is going to be done unless we are greatly concerned. Speeches have been made in this house which would indicate that those who made the speeches would be ready to do a great deal.

A few things that can obviously be suggested that should be done of course, are that the universities should do much more for Russian learning, that we should have more Russian music, although of course, we have a great deal. We are already playing games with Russians. The drama, of course, is a common feature. The other thing, of course, is the press. We should know more about Russia. Our press should do more, our radio should do more. I come back again to this very simple argument: Do you believe that over the years we need to practice this coexistence? You may say that it is extremely difficult at the moment when the Russians seem to spend most of their time proclaiming that we are warmongers. I admit that it is extremely hard to put up with that sort of thing when we know how unsound it is. But then it seems to me that it would not need tens of thousands of people coming here but rather it would need only a reasonable number of intelligent Russian tourists coming to this country to find out that all this talk about our wanting war is crazy, and that this propaganda is crazy. I understand that in some of the eastern countries, when television got out there and they saw for the first time the kind of life that we were really living here, they were no longer content to put up with the kind of economic existence they were having. I mention that matter merely because I am trying very hard to suggest what can be done by the ordinary person who goes about his business, who is a decent fellow to live with and who would probably think that he could no more have influence on what is happening in Russia than he could fly to heaven. But I suggest that these things could be done and should be done; and that once we could get across the idea that the people

in Russia and the people in Canada are not so very different, it might have its effect. My mind went back today to those lines by Rudyard Kipling with respect to Tommy Atkins. Tommy is soliloquizing:

> For it's Tommy this, an' Tommy that, an' "Chuck 'im out, the brute!"
> But it's "Thank you Mr. Atkins" when the guns begin to shoot.

Then somewhere else he makes Tommy Atkins say:

> We ain't no blood red 'eroes
> And we ain't no black guards too
> But single men in barricks
> Most remarkable like you.

That is a trivial thing to introduce into this solemn assembly but somehow or other it seems that if we could get across the idea that these people in Russia are people very much like ourselves and if we could somehow have it brought home to us in the press and so on, I believe it might have some effect.

These are trivial and rather obvious thoughts that I have tried to express. The only excuse for them is that I believe that not one tenth of 1 per cent of the people in the country at this time have ever thought there was any duty on them to take any part. They thought that it should be left to the Secretary of State for External Affairs, the Prime Minister and the Leader of the Opposition who know about these things. It is true that they know about these things and are doing the best they can. However, it seems to me that the ordinary Canadian citizen is deeply concerned in this matter and that he has a duty to find out if there is anything he can do about the matter. I suggest with some confidence that our universities, churches, newspapers, theatres and ballet could do something, if somehow we could get across to them the idea that they are great makers of public opinion, that here is a job to be done and that coexistence is not a matter for a month or a year but is a continuing matter. It is a matter of a way of life and particularly when we consider the countries that are on balance. I think it was Chester Bowles who recorded that some Indian statesman had said to him. "You people in the west are on trial. It is going to be a question whether you or the communists can do most to help with economic problems in the underdeveloped countries. Don't you people lose out". I sometimes think of what we would feel like if some fine day we found that India had decided to incline the other way. However, that is another matter and it is no time to be introducing it now. I have been glad to have a small part in this debate.

Mr. Nugent: In this debate some distinguished speakers have taken part. The subject is the gravest one that I think the house can face. As a rather humble backbencher I venture to speak in the hope that I may add something to the debate. By way of preface I may say that I intend to be somewhat critical of western foreign policy as it has been followed for some time. I am not entirely convinced that I am correct and that everyone else is wrong. However, I am much buoyed up by that theory of argument that if I am wrong, then perhaps the right policy will be shown up and be proven even more right by contrast with it. I feel that I must be critical because, in my opinion to date, western policy has not been too successful. There are two pieces of evidence I think that back me up in this opinion. One is the present world situation in which we are on the brink of war. The second is the fact that over the last few years communism, a system that we have despised, hated and fought so strongly against, has been able to make such great inroads and such great progress in the rest of the world.

First, as to the matter of brink of war or the situation today, may I say this. I have been alarmed by some of the speeches made in the house and by speaking with some people across the country who talk so calmly about the possibility of war. Every time you mention the possibility of war they seem to give you the answer, "Well, what are you going to do? Give in to the communists?"

I do not think it is a simple matter of one or the other. I think that either one is unthinkable. Of course, the task of diplomacy today is to make sure that both are avoided. However, I do believe—and here is where I differ with many of my friends—that the possibility of war today is worse than communism.

Frankly, what we fear about communism is that were we to become subjected to that system we would lose so many of those things we treasure so much; our freedom, our democratic system and all those wonderful things we have been able to gain in modern civilization, mostly because we have had the benefits of that system.

However, I do not think we gain much by comparing the present situation to the days before the last world war or by talking about appeasement. If there were a war today we would lose much more than we could possibly lose to the communists. If there were a war I am convinced there would be no vestige of civilization left in the world. If humanity could survive at all, I think the disruption of ordinary life would be so great that there would be no type of ordered government whatsoever and we would have the most horrible of all situations in human affairs, complete anarchy. All that would straighten

out that situation would be a regimentation so tight and so severe that communism would be benevolent in comparison.

Surely we cannot take so lightly the possibility of our blind fight against communism leading us into a danger of something even greater, talk about it or even think about the possibility. Surely it is the time to stop and look. Instead of merely saying, "What nasty fellows those communists are", we should say, "Have we done everything we can to protect ourselves and the rest of the world from this frightening holocaust that threatens us?"

I am buoyed up somewhat in my critical attitude by the thought that today there are some 25 uncommitted nations in the world which refuse to join what I call the anti-communist bloc; which are not on our side in the cold war. Surely if after the amounts of money this house has voted, after the extreme gestures of generosity made by the western world toward new and emerging nations, the amounts of money poured in on foreign aid and programs of one type and another, those 25 nations are still unwilling to join us, it could be just possible that our conduct and our character have not been so blameless and so spotless that we should not look critically at ourselves.

I firmly believe that perhaps the most basic error we have made is in being anti-communist first and pro-democratic second. We have seen examples of this in the manner in which some tottering regimes have been bolstered up in the Far East, for instance, where the first test seems to have been. What is the position of these people who are fighting for power on each side in this country? Which group is the most anti-communist? Which group would make the greatest contribution to our side in terms of power against the communists?" Then we pour in the money.

Surely the question that should occur to the minds of Christian, democratic people, should be, "How best can we help these people to achieve those things that they lack? How best can we help them secure a form of government that will give them the most they can obtain of those things that we treasure most?"

I suggest it has been this course of conduct, this indiscriminate choosing of allies that has caused some of the uncommitted nations to be somewhat sceptical of our methods and to appear downright ungrateful for such assistance as we have given them.

Today I think that Russia is afraid of us, as we are afraid of her. There is no doubt in my mind, having looked at the type of immigrants of various races from around the world that we have in this country, that basically the citizens of Russia, Japan, China, Poland or Britain are not that much different.

[Mr. Nugent.]

I think it is not just the western world and the citizens of their countries that are deathly afraid of war, but the citizens of all countries around the world.

I suggest that if those uncommitted nations are suspicious of our methods and our actions when we have been trying to help them, surely it should be understandable why Russia, which has been the object of our anti-communism, should find herself so unwilling to believe we are at all sincere in our protestations for peace and our saying that we do not mean her any harm. It seems to me there are a few common misconceptions which, while they may have been mentioned now and then, are not taken seriously enough into consideration or do not underly our thinking if we are really trying to find a peaceful solution.

First, the hon. member for Greenwood mentioned coexistence. It is a peculiarity of the thinking today, in the United States particularly, that to mention the word "coexistence" puts one sort of into the appeasement class or that of a fellow traveller. Let us look at it very realistically. The communists are there in many countries. Their system is well and firmly entrenched. They are extremely powerful.

There is more than that. There is no doubt that they have the solid support of a large segment of their population. In fact, we can see no reasonable hope that in the very near future they are likely to be overthrown. They are there. They are strong. They are going to remain there unless they can be overthrown by force of arms and, as I said before, I think that any question of overthrow by force of arms means we will be out of the frying pan and into the fire. It cannot be done without destroying us all.

Therefore peaceful coexistence is the only existence there is. It is not an alternate form of action; it is the only possibility. Therefore we must do all we can to try to relieve the tension which might destroy us all. Certainly if we are going to live in peace with our neighbours it would behove us to have a foreign policy more in keeping with our Christian, democratic principles than merely an anti-communist line.

I am all too familiar with an American saying which seems to underly much of their thinking. It was almost a battle cry before the last world war. That saying is, "Make the world safe for democracy". In my opinion, Mr. Chairman, there can be no more dangerous expression. Democracy, by its very nature, can never be safe. It is an idea of government, an ideology. As such it is always going to be under attack by all other ideologies. In fact, by its very nature, in order to work properly it must always allow all other ideologies full

scope and full discussion. Our concept of democracy is not a symbol which can be put up like a flag and held just so. Our concept of democracy today may be vastly different from that which may evolve in 20 years time. Anti-communist policy tends to make our policies all become rigid, and a democracy that becomes rigid leaves itself without its own greatest defence, the fact that it is pliable and can bend to meet all emergencies.

Democracy cannot stand still. It cannot be solid and unbending. It cannot become so dedicated to something like anti-communism that the ordinary citizens in the street are afraid to talk about our way of life in comparison with the communist system. Once we start to do that, we lose any chance of improving our own system. When we lose any chance of improving our own system, we give a chance to the communists whom we are trying very hard to defeat. It seems strange to me that whereas communism is supposed to be a very rigid thing it has throughout the world evolved and changed enough to enable it to keep ahead of us. We have had many manifestations of the extent to which anti-communism will go in our country and the harm it can do to democracy. One example, for instance, is McCarthyism. We can lose, by our own anti-communist struggle, that which we are trying to preserve for ourselves.

We want democracy because it gives us a freedom of action, freedom of speech, freedom of choice and religion. The more we try to channel our efforts into a policy which can only be based on fear and hatred of communism, then the more effectively do we strangle those things which are finest in our own civilization. I believe that in the present world situation not only is it possible for the west and the east to have a war that can destroy civilization, but that any country which has a sufficient stockpile of nuclear arms and the means to deliver them can stand on its own two feet. I do not believe the United States needs any backers in its own defence. Who would dare attack her? There would be no possibility of winning such a war because certainly the amount of destruction would be far greater than any possible gains. Consequently, the United States must feel quite safe standing on its own two feet. The United Kingdom and France are in the same situation.

When we are trying to explain to these uncommitted nations, or in fact to Russia, that our alliances are only defensive alliances and not aimed against Russia, we can at least understand why the Russians fear those alliances. Living in this country as we do and knowing our fellow citizens so well we sometimes forget that while we are perfectly sure of our motives and our aims, while we know we have so much that we need not look with greed on anyone else's possession, while we have been treated so well by nature and have had so few real enemies, most peoples in the world have not had the advantage of growing up as we have. They cannot take our aims and motives for granted as we do. They cannot even judge them as critically as we do. When I say it is difficult for them to look at our alliances and realize the purpose is only defensive and not offensive and that, for the reasons I have just explained, one country can stand alone and we have banded together for defensive purposes, I mean that even on the basis of western reasoning we can understand why there would be confusion.

I think we too often forget that there are language barriers and other differences in the way in which these people have grown up and lived, differences in the meaning of a word. When one adds all these things together one finds there is a basis for understanding that at least the Russians might have a very real fear of us. There is no doubt, I think, in the minds of most members of this house that we are afraid of the Russians. We have heard their pronouncements about spreading world communism. We do know that they have tried to infiltrate other countries. We do know we have reason to fear communists and the spread of communism. Surely we can understand, therefore, that if we are afraid, they are honestly afraid. If both sides are afraid of a world war, then fear is going to be the complicating factor in negotiations which, while not making it impossible, will make it most difficult to arrive at any solution to our problems.

I suggest, Mr. Chairman, that the western world now has more than sufficient arms and armaments to destroy the Russian world ten times over. I cannot forget that at the end of the last world war we were subjected to V-2 attacks from Germany that were fairly accurate. This was at a time when rockets were practically unknown and there was only 1,000 pounds of t.n.t. in the warhead. Since that time we have had sputniks which have gone into space around the moon. Surely, there cannot be much doubt that there are probably enough intercontinental ballistic missiles stockpiled on either side of the iron curtain to blast the other half of the world. I suggest it is not necessary, therefore, for us to continue to pile proof upon proof of how strong we are and how determined we are.

If, as I suggest, the most difficult factor in negotiations is really fear and not this truculence, then we are only piling fear upon fear.

Could we not afford to make some real gesture by unilaterally dropping some part of our armanent and saying to Russia, "Here, we will start this way." I do not believe we would be exposing ourselves to that much danger. I think we need to show in very concrete form which even the most complex oriental mind can comprehend that our purpose is not aggression. I feel this is part of the reason we have been unable to sell some of the uncommitted nations on our story, and why we do not have the full support of the well meaning nations in the world.

What we have failed to understand is not just the Russian mind but the minds of the members of the new nations. The Secretary of State for External Affairs mentioned that these people were too busy with their own problems. This may be one way of putting it, but I should like to say that their problems really should be our first preoccupation. Their welfare and democracy have not been developed as they have in this country. They must strive for such development. They cannot equate, as some people seem to, the concept of the defeat of communism with the gaining of democracy. Those who fought in world war II know that there are other menaces to democracy. Not long ago we fought a war against the Nazis. There are in existence in the world today dictatorships of various kinds. I am sure the United States should have learned a lesson from Cuba, the lesson being that when you have one bad master you do not really fear the possibility of another as much as you fear the one you have. If we are to really achieve peaceful coexistence we must get rid of some of these misconceptions in our thinking.

I do not believe Russia wants war. I started out by saying that the communists have been making great progress without war. I am sure they realize as clearly as we do that war will mean not gain but only destruction. Therefore, since they appear to have such confidence in their system, I honestly believe they would really like to achieve and maintain peace, although perhaps peace on their terms. We do not aid the cause of peace by striving with all our might and bending all our energies in an anti-communist drive. We have not been successful in anti-communist campaigns. There is only one course for us to follow and that is for us to be pro-democracy. The purer democracy is the stronger it will be and the safer we will be. Many of my colleagues have suggested that this is a highly idealistic approach. They say that is all very well but we are dealing with a very nasty fellow. All I can say is that this has always been said any time a danger to democracy has reared its head.

[Mr. Nugent.]

I am one of those who happen to believe that the purer we keep democracy the safer we are. The more above criticism we keep our own actions—the more Christianlike our actions—the less chance there will be of making enemies and certainly there will be less distrust of us. We have to have peaceful coexistence or no existence as was just said. We must begin by removing as much of the fear as we can. Part of the task before us is to remove distrust which can be removed if we are more devoted Christian democrats. I hope that our foreign policy may start to be more prodemocratic and less anti-communist, and I am sure we will have fewer communists.

Mr. Mandziuk: Mr. Chairman, like the hon. member for Edmonton-Strathcona, it is with a certain amount of trepidation that I rise to take part in this debate because it is my misfortune to follow in the debate such political giants and eloquent statesmen as the Secretary of State for External Affairs, the hon. member for Essex East and the Leader of the Opposition.

Yesterday in his calm, cool and collected manner, the minister gave us a most graphic picture of present day world conditions. The hon. member for Essex East who followed, although in different words, made a no less sincere effort to warn Canadians and the people of the free world of the dangers we now face. The Leader of the Opposition whose knowledge of foreign affairs is beyond question delivered an outstanding address which greatly impressed the committee and will, I am sure, impress all Canadians. All hon. members who have participated in the debate have contributed a great deal in placing on the record the thinking of Canadians.

Before entering the chamber yesterday I read an article written by an eminent journalist and reporter who is read by most hon. members of this committee and whose opinion is highly valued. I wish to quote a portion of the article:

> It may be that Canadian foreign policy debates fail to impress because few, if any, of the participants have anything of real importance to say. Canadian foreign policy is often a pale reflection of foreign policies devised elsewhere.

Upon reading that portion of the article I was led to expect that I would not be impressed by the debate but I have no hesitation in saying that I have been greatly impressed. Previously I was inclined to feel that probably our foreign policy was dictated by others and by circumstances beyond our control but after hearing the masterful addresses of those who have preceded me in the debate I have altered my thinking. This debate impressed me as I am sure it did all hon.

members of the committee. Undoubtedly it will impress the millions of Canadians who are carefully watching to ascertain what foreign policy Canada is following.

The author of this article attempted to guess what was going to happen. If he had regard for Canada's obligations as a full-fledged member of NATO, as a member of the British Commonwealth of Nations and as one of the bastions of the free world then certainly he would have known that our foreign policy could not be completely original because it must have regard for and be co-ordinated with the lines of the policies of our allies and associates. On the other hand it is by no means a pale reflection of policies devised elsewhere. What we have heard expressed in the debate is a dynamic, purely Canadian policy dictated by the difficult circumstances that presently exist.

There is another aspect of the debate which greatly impressed me as I am sure it did all Canadians. We saw a spectacle in this house which is a rarity, and which appears only on infrequent occasions. I refer to the fact that we have a bipartisan foreign policy. I hope I am using the right word. It was a spectacle which I had not had the privilege of seeing since I had the honour of coming to this house in 1957. It was a spectacle where the government and the official opposition, in spite of their political differences, closed ranks in time of crisis. All of those who spoke before me agreed with the Secretary of State for External Affairs that we do live in a time of crisis. However, it is regrettable that we have not a tripartisan foreign policy, since there are still a few people who would scrap the policy we are Canada declare its complete neutrality, have following, who would scrap NATO and have Canada betray its allies, its friends. Oh, what a comfort it would be to those who threaten our freedom.

Neutrality is a very attractive word, Mr. Chairman. I have heard it outside this house. But history teaches us otherwise. Did neutrality pay off in the last war to countries such as Belgium, Holland, Denmark, Norway and others? Some people in Canada, intentionally or otherwise, misinterpret the objects and aims of NATO, why this organization was created and on what basis. Why was it necessary 10 or 12 years ago, and why is it necessary today. This country knows, and every member of the NATO organization knows, why this alliance was created. It was created purely for defensive purposes and it stands on those aims today. Let us recall history; let us go back, Mr. Chairman. It was created to stem the tide of communist dictatorship which inundated central Europe and threatened to complete the conquest of the whole of western Europe. If NATO had not come into existence it is almost a certainty that there would not be a free nation in Europe today in the sense that we understand freedom. Those behind the iron curtain understand freedom differently; they understand democracy differently, but I wager that there would not be a free nation in Europe today. And yet we have people who say "scrap NATO", or who ask Canada to get out of NATO. I know hon. members will agree with me; I know I am making a correct statement.

NATO is a defensive alliance. Does it threaten the red empire? Let us look at the facts. Neither NATO nor any one of its member nations has ever in the past 10 or 12 years since its inception displayed any imperialistic designs on each other or on the red empire behind the iron curtain. Neither NATO nor any one of the member nations of NATO has, in the words of Mr. Khrushchev, "threatened to bury" the communist ideology. However, we have heard from the mouth of the great comrade Khrushchev that he was going to bury us. He made that statement in the United States, but he included us as well. Oh, how he would like to break up the friendship that exists between our two great countries.

We have not made any plans to, and it is not our policy to bury the ideology which is foreign to us, which is unpalatable to us, which is disgusting to us and which we do not wish to accept. Each member of NATO pledged itself to come to the assistance of the other only if attacked, but not to attack first.

I think the Soviets are right when they say that Canadians are peace loving people. All the peoples of every free nation in NATO are peace loving and want peace. They are striving for it. NATO does not threaten the peace or security of the great red empire. There is no incident in history which shows that we threaten the red empire; it is not in our planning. Each member—this includes Canada—knows what threats communism poses to its very existence, to its way of life, to its democratic system of government, to its system of justice and freedom of religion and the press.

I cannot understand how the Soviet bosses believe that NATO is a threat. They warned Greece against allowing certain manoeuvres in the Mediterranean. They threatened to take certain repressive actions if Greece did not get out of the NATO alliance. But NATO does not build 15-foot walls to keep its people in even if they wish to go behind the iron curtain. Look at the thousands and thousands who have crossed the line at the risk of their lives and have abandoned all their worldly possessions to cross into West Berlin. Let us

not forget the thousands and thousands of refugees who have found a home in Canada, who refuse to be repatriated, who refuse to go back. Is there not a reason for this? Have we any such situation in our NATO organization? Why, Mr. Chairman, the NATO organization has been so accommodating that some people think it has gone too far in trying to allay the fears of the communist empire. It has gone so far as to write off the peoples who are behind the iron curtain and who were once free. There is nothing in the policies of NATO to free or help these people to gain their freedom. A typical example, probably the best of all, is the Hungarian uprising in 1956 when not even a finger was raised in defence of these people who were crushed by Russian tanks. The same fate will await any other peoples who dare to rebel against the regime set up by Moscow.

In the opinion of many, NATO may rue the day that it did not adopt as one segment of its policy the freeing of these enslaved peoples. Mr. Khrushchev dares to talk about colonialism. We have become very complacent. We would be so happy to be left alone that we are not concerned about any enslaved nation. We go along with Mr. Khrushchev, with internal domestic policy of the Soviet union, and it is none of our business. We may rue the day that NATO did not threaten the dismemberment of the Soviet union and its great empire, but NATO is a stumbling block in the spread of that godless ideology and it is that stumbling block that hurts. It is not fear that we are going to attack them. We are a strictly defensive alliance. We would not condone or approve any overt action by any of our allies that would start a shooting war. We are a peace loving nation.

I know that colonialism is in the minds of the newly liberated countries as they have been called. Mr. Khrushchev is certainly fostering a spirit of hate, a spirit of revenge in those lands even against so-called benevolent oppressors such as the British empire. But how about his own empire? There is only one head of state so far who has dared to raise his voice on behalf of the enslaved peoples of Europe. That head of state is the head of a member nation of NATO, and he did so in New York on September 26, 1960. I refer to that great address by the Prime Minister of Canada to the United Nations. May I be permitted, Mr. Chairman, to quote a portion of his address. It was reported in the newspapers but I think it deserves to go into the permanent records of parliament.

> Indeed in this assembly the membership is composed in a very considerable measure of the graduates of empires, mandates and trusteeships of the United Kingdom, the commonwealth and other nations. I pause to ask this question: How many human beings have been liberated by the U.S.S.R.? Do we forget how one of the post-war colonies of the U.S.S.R. sought to liberate itself four years ago, and with what results?

It is almost five years ago now.

> I say that because these facts of history in the commonwealth and other countries invite comparison with the domination over peoples and territories, sometimes gained under the guise of liberation, but always accompanied by the loss of political freedom. How are we to reconcile the tragedy of the Hungarian uprising in 1956 with Chairman Khrushchev's confident assertion of a few days ago in this assembly? Mr. Khrushchev said: "It has been and always will be our stand that the peoples of Africa, like those of other continents striving for their liberation from the colonial yoke, should establish orders in their countries of their own will and choice." That I accept, and I hope that those words mean a change of attitude for the future on the part of those he represents.
>
> What of Lithuania, Estonia, Latvia? What of the freedom loving Ukrainians and many other eastern European peoples which I shall not name for fear of omitting some of them? Mr. Khrushchev went further and said: "Complete and final elimination of the colonial regime in all its forms and manifestations has been prompted by the entire course of world history in the last decades." There can be no double standard in international affairs. I ask the chairman of the council of ministers of the U.S.S.R. to give to those nations under his domination the right of free elections.

All the Prime Minister suggested was giving these people the right of free elections. What did he receive in reply? Desk beating with the boot of the dictator, and the Soviet press with the attitude of a mad dog raked the Prime Minister of Canada over the coals, criticized him and said that it was none of his business, that it was purely a matter of the domestic policy of the Soviet union.

What objection could anyone have to free elections in any one of these states? We are not concerned about what form of government Yugoslavia might choose. We would not be concerned about what form of government Poland, Roumania, Lithuania, Bulgaria and other such countries would establish within their own boundaries as long as it was done through free choice. We would like to know whether Czechoslovakians would vote in favour of the communist regime and to remain as a satellite or colony of Moscow. We would like to know the opinion of these peoples with respect to the domestic policy of this great empire, a domestic policy with which we have not tried to interfere and as to which Mr. Khrushchev says it is none of our business.

The Deputy Chairman: Order. In order to permit the house to proceed to consideration of public and private bills pursuant to section 3 of standing order 15, it is my duty to rise, report progress and request leave for

the committee to sit again later this day or at the next sitting of the house as the case may be.

Progress reported.

Mr. Speaker: It being five o'clock the house will now proceed to the consideration of private and public bills, the former having precedence.

RAILWAY ACT

AMENDMENT TO PROVIDE FOR APPLICATION BY TRUCKERS TO TRANSPORT BOARD ON COMPETITIVE RATES

Mr. J. F. Browne (Vancouver-Kingsway) moved the second reading of Bill No. C-39, to amend the Railway Act.

He said: Mr. Speaker, I am pleased to have the opportunity this afternoon to move the second reading of Bill No. C-39, an act to amend the Railway Act, the explanatory note of which states:

> The purpose of this amendment is to provide that representatives of the trucking industry shall have the right to make application to the board of transport commissioners for the disallowance of a competitive rate when they consider that such rate has subjected motor vehicle operators to an undue or unreasonable prejudice or disadvantage.

From these explanatory notes that are contained in the bill one might come to the conclusion that this amendment was strictly in the interests of the trucking industry. However, that is not the main purpose of the bill, which is to provide protection for the public interest in regard to freight rates. I say that because the railways in 1957 started some substantial rate reductions by way of what are called truck competitive rates or incentive rates. In some instances, in the western incentive rates that were put into effect in 1957 by the railway, those reductions amounted to as much as 75 per cent of the rate that was then in effect. It is to be realized that it was the advent of truck competition that brought about those reductions. Of course, there should be no objection to the public benefiting from those reductions. However, I think we want to have the safeguard that the railway is not going to be allowed now to reduce the rates to an uneconomic level and therefore put out of business the very firms which brought about these freight rates reductions in the first instance. That is something that has happened very notably in one section of the trucking industry, and I am very conscious of this matter, coming as I do from the province of British Columbia.

The trucking industry started up in the business of hauling automobiles from the plants at Windsor and Oshawa out to Vancouver and they brought about substantial reductions in the cost of bringing an automobile out to Vancouver and to other parts of British Columbia. Then the railways were allowed to enter into agreed charges which practically eliminated that section of the trucking industry. Some 50 firms started up in that business and, as I say, brought about substantial reductions in the cost of moving an automobile to Vancouver, and they were eliminated by means of the agreed charges. In other instances, other parts of the trucking industry are threatened by these incentive rates and truck competitive rates.

The act at the present time—and I refer to section 334 of the Railway Act—contains certain safeguards. It provides that the railways must charge compensatory rates and that they must not go beyond the cost to the railway to move those goods. However, in the various hearings that have taken place over the years it has been clearly established that, with the number of competitive and incentive rates that are now coming into effect—and I know that a number of years ago there were 30,000 of them—and in the establishing of those 30,000 rates, the railways had beeen questioned some three or four times by the board of transport commissioners as to whether or not those rates were compensatory. They were only asked for information on those three or four occasions. It did not appear to me or, I think, to most of those involved in the hearing, that this was causing any substantial hardship to the railways. However, the Canadian National Railways in particular have protested very strenuously against these restrictions, as they call them. In fact they asked the present royal commission on transportation to eliminate any such restrictions so that they would not be required to show that their rates would be compensatory and so that they could in effect charge any rates they wanted to charge.

In actual fact the railways already have full scope for setting rates to meet their competition and rightly so. I am sure that we would not want to put the railways in a position in which they could not meet their competition. But in view of the large subsidies that are being paid by the Canadian taxpayers to the railway, I feel that we want to have some safeguard in order to make sure that the railways are not engaging in unfair competition. That is why I suggest that this amendment is necessary.

On the face of it, if two industries are on equal terms of course free competition itself would ensure the lowest possible rate to the consumer and that is the ultimate result we want to attain. However, the conditions as between the trucking industry and the rail

industry are not equal by any stretch of the imagination. For one thing, the resources of the railway are far beyond those of the average trucking firm. Even though trucking firms have grown to be a great deal larger than they used to be, they certainly cannot compete with the financial resources of the railways. They could not afford to sustain a loss over a period of time as a railway could do. The railway could charge a low rate from point A to point B for a few months and eliminate truck competition or do as they have been doing over the past year or so, namely buying out trucking firms which are put in an untenable position and are unable to continue. The trucking industry is also faced with that kind of competition; it is faced not only with rail competition but with the competition of the truck lines that are now being acquired by the railroads. I have here a letter which I think went to most members of parliament. It is from a trucking operator in Winnipeg, namely Reimer Express Lines Limited. It is dated June 29, 1961, and reads as follows:

Dear Mr. Browne:

Did you know that East-West Transport Ltd., a crown owned, financed, and subsidized truckline, is one of the biggest rate cutters in the business? They are charging rates without regard to operating costs. If this continues, they will succeed in putting taxpayers out of business with remarkable speed.

In view of the apparent losses East-West has had since the Canadian National Railways purchased it, I thought this would be of interest to you.

It is signed by D. S. Reimer, vice president and general manager. As to the part to which he refers there, namely the apparent losses of East-West Transport, this was confirmed in the committee on railways, air lines and shipping when there was produced last year by the hon. member for Port Arthur a document which indicated quite clearly that the trucking operations of the Canadian National for the most part had suffered a substantial loss. It was only the inclusion of one large firm which had made a substantial profit which was able to bring them into a position where they said they did not lose any money in their over-all trucking operations. However, the fact is that several truck lines owned and operated by the railway were engaging in competition with private enterprise and were operating at uneconomical rates.

In this country we have always stressed the benefits of private enterprise. I think we are getting into a dangerous situation. This matter is of concern, of course, to the general public because I am sure that no one in this country wants to see private business put out of existence and replaced by government operated businesses, especially under unfair conditions such as those. It is of course of great concern to people in the management of trucking industries who have invested their money and to the private citizens in this country who have invested their money in the trucking business which brought about lower freight rates to the people of Canada. They feel they are being discriminated against in the manner in which they are being treated. Of course, the matter is also of great concern to the employees of the trucking industry, of which I might say there are some 90,000. I believe most members of parliament have received representations from some of the unions of the employees of the trucking industry in the last few days. I recall receiving some of them myself last year. In fact, I think I read into the record of *Hansard* some of the resolutions that had been passed by the various teamster unions across Canada at that time. I went on to point out that the railways and the trucking industry are not on equal terms when it comes to competition because in this fiscal year the railways will receive some $91 million in subsidies from the federal government. In addition to that, Canadian National Railways had a deficit of some $67 million, which is also paid by the Canadian taxpayer. That makes a total of $158 million being paid out of the federal treasury to the railways.

I feel sure that under those circumstances every hon. member of this house would want to ensure that this money is not being used to provide unfair competition with a private enterprise in this country, especially when we consider the fact that the freight rate reductions I have spoken of would never have been brought about without the advent of trucking competition.

I think if the railways are now able to establish that they can cut their rates by as much as 75 per cent we are entitled to ask what kind of rates they were charging before. If they can now cut their rates by 75 per cent and find them to be economical what was the justification for the kind of rates they were charging before? Why should they now be allowed to put out of business those firms which brought about reductions up to that amount?

In many instances there even seems to be some doubt as to the justification for these rates to meet the competition, although that is one of the terms of the Railway Act in section 334, as I have pointed out. That section states that the railways must establish that the competition exists, rates are compensatory and are not lower than necessary to meet the competition.

I have here an article published in the *Financial Post* of June 3, 1961. It makes a comparison between truck rates and railway

rates on certain new incentive rates which had been published by Canadian National Railways at that time. The article says:

> Trucks only handle freight shipments up to about 45,000 pounds. Even at this truck-load limit, the new railway incentive rates are as much as 20 per cent cheaper.
>
> But when certain commodities are heavy and not bulky and, say, 100,000 pounds can be loaded into a boxcar, the railways' new rate could be 50 per cent less than a trucker's "good" rate.

There would seem to be a reduction far below what is necessary to meet competition. Nobody is going to object to the fact that the public will benefit by lower freight rates being in force, provided this is done on a reasonable basis. However, I suggest that if the railways are cutting rates by anything from 50 per cent to 75 per cent, it needs a good deal of explanation to determine why they find it reasonable and economical to cut them to that level. What assurance will we have that if they force their competition out of business they will not immediately put the rates back up and we will find ourselves in the same position as before?

Throughout the years the argument has been put forward that it does not matter too much if a few trucking companies are forced out of business because it is easy for them to start up; there is not a great capital expenditure involved. It has been said that if one company goes out of business, another one will start and we will soon have the same protection. However, I submit that is not the case any longer, because to operate a transcontinental trucking business today does not involve the kind of trucking operations we had in Canada a number of years ago. A number of years ago a man could start up with one or two trucks at a minimum cost and was able to go into business. There are substantial licensing conditions at the present time. One must have a communications system across Canada, such as teletype, in order to control the operations over the vast distances these trucks must now travel. A truck operator must have depots and terminals across the country at which to service his vehicles and in which to store the goods. In addition, the cost of motor vehicles has increased very tremendously since the early days. The large trucks that run across Canada today cost $40,000 a unit.

Therefore one can see it is not so easy as it used to be to start up and get into the trucking business. Even if one is able to meet all the licensing requirements which are in force today, and all the other conditions, he must still raise a very substantial amount of capital. I submit that the argument which has been used in the past is not valid at the present time.

I believe that at the present time the board is limited in its powers to regulate the industry because of the fact that so many rates are being dealt with by the board. Even though they have the power, of their own volition, to investigate rates, there simply is not the time to investigate each one. It is only when a complaint comes before the board that they are really able to deal with that rate.

At the present time the trucking industry is not in a position to appeal to the board of transport commissioners. This was established quite clearly in 1957 in connection with the western incentive rates which, as I said, reduced rail rates by as much as 75 per cent. For the first time the trucking industry became seriously alarmed at the assault the railways were making upon them and appealed to the board of transport commissioners. Before the board went ahead to hear that particular case they decided the trucking industry was not a party under the Railway Act and therefore had no right of appeal to the board of transport commissioners.

The argument has been put forward in some quarters that the trucking industry is not regulated by the board of transport commissioners and therefore should not have the right of appeal. I suggest that is not a valid argument because most of the other people who already have the right of appeal to the board of transport commissioners do not come under that board either. Yet that argument has never been used against them.

The provincial governments, for instance, have the right of appeal to the board of transport commissioners, and a shipper has a right of appeal to the board. Shippers are not controlled by the federal government, and certainly the provincial governments are not controlled by the federal government. In fact if there is any argument at all in that direction it favours the trucking industry, because whether or not the federal government exercises control over the trucking industry, it is in fact the responsibility of the federal government to regulate that industry. This was decided by the privy council in 1955.

The federal government does not choose to exercise that jurisdiction as fully as it might by virtue of the Motor Vehicle Transport Act. The federal government constituted the various provincial boards in Canada with federal powers for the purpose of controlling the trucking industry.

I submit that if this is the way the federal government chooses to regulate the trucking industry, that is not the fault of the industry and certainly should not be any bar to its being heard before the board of transport

commissioners. It seems ridiculous that this industry, which is the industry mainly affected by decisions of the board of transport commissioners, should have no access whatsoever to that board.

This bill is similar in nature to one passed by the house in the first half of the session. That bill dealt with agreed charges. At that time all parties unanimously agreed that the trucking industry should have the right of appeal in regard to agreed charges. I submit that the same considerations exist in regard to competitive rates. Because of the vast financial resources of the railways and, as I have pointed out, the subsidies being paid to them by the federal government—that is, by the Canadian taxpayer—I believe it would certainly be in the public interest that the trucking industry should have this right of appeal.

I can assure the house that my purpose in presenting the bill is to insure that the public will have the lowest possible freight rates. I have no objection whatever to seeing that the railways lower their rates to the lowest possible economic level. In those fields where they are able to operate at lower rates than the trucking industry, then they should be able to have that business, provided they can operate economically at those rates. I think we want to ensure that we are not going to be paying money out of the federal treasury in the form of subsidies or paying annual deficits in order to have the money used to set rates at uneconomic levels.

By the same token, where the trucking industry is the most efficient operator and can operate at the lowest rate to provide its service for the public of this country, then it should be able to have that business and not be cut out of it by unfair competition. I am sure the house will agree with all these considerations. Certainly it is only a very minor consideration that is being asked in this bill. Before any change can or would be made by the board of transport commissioners, it would have to be clearly established that the railroads were doing something not contemplated by the present legislation. In other words, before the board would make any change in any rate or hamper the railways in any way, there would have to be a violation of the existing law.

Surely, it is not too much to ask that the trucking industry, which has done so much to bring about lower freight rates in Canada, should have the right of appeal. I know this is something which has always found favour in both the House of Commons and the other place when it has come to protecting the rights of people and industries in general. Hon. members have always felt these people should have the right of appeal. I am sure the house will want to give consent to the passage of this measure in order to protect the public and insure the lowest possible freight rates in Canada as well as the most efficient transportation system we can have.

[Mr. Browne (Vancouver-Kingsway).]

Mr. Hubert Badanai (Fort William): Mr. Speaker, I rise to support this bill because I believe it to be in the best interests of justice as applied to our transportation system. I wish to congratulate the hon. member for Vancouver-Kingsway (Mr. Browne) upon bringing this matter to the attention of the house at this time, as well as upon his able presentation. If there is one subject upon which the members of this house are agreed, it is the importance of cheap transportation. This amendment, if adopted, will give an important branch of the transportation industry recognition that it exists for the purpose of serving an ever increasing number of Canadian people. It should, therefore, no longer be looked upon as an unimportant adjunct to our older established methods of transportation, namely the railways and lake shipping.

The trucking industry, from a very small beginning in the twenties, has now attained a status of considerable proportions, with an investment in excess of $1 billion and carrying more than one hundred million tons of merchandise. The Canadian trucking associations of Canada in their submission to the government last June emphasized that the rapid growth of the country and the spectacular progress of technology during recent years had profoundly changed the structure of Canadian transportation services. A serious problem has been created of adjusting transportation policies to meet the new situation created by the public demand for a more efficient and up to date transportation service, such as having goods delivered to your door.

In the first volume of the report of the royal commission on transportation the transformation of the Canadian transportation set-up was summarized in the following words, and I quote from page 26 of that report:

> Since the end of world war II, the transportation environment in Canada has been transformed from a monopolistic one, very much dominated by the railways, into a highly competitive one in which a number of different modes of transport are vying actively for the available traffic ... the consequences of this evolutionary development in terms of growth in the systems' capacity, efficiency and conditions of service have been, as we have emphasized, of substantial benefit to the country as a whole.

I wish to submit, Mr. Speaker, that the four maritime provinces, through their transportation commissions, expressed similar sentiments, adding that competition between the different forms of transportation is highly desirable. The trucking industry, therefore,

should be considered with the other types of transportation media as the instruments of national policy. The proof of the importance of modern motor transport is found in the entrance of both the Canadian Pacific and the Canadian National Railways into the trucking industry. They are now in it in a big way, having purchased two of the largest truck lines in Canada doing business from coast to coast.

All this bill provides is the right of appeal to the board against any discriminatory rates, and the right to be heard in open court. I am particularly keen on the passage of this bill because the lakehead cities of Fort William and Port Arthur are approximately 850 or 900 miles from Toronto and 420 miles from Winnipeg. As a result of the distance between the heavier centres of population, we have never received due consideration from the railways in so far as fair freight rates are concerned. I can give an example of this discrimination. The freight rate on canned goods shipped from Chatham, Ontario to Fort William is $1.57 per one hundred pounds. When a wholesaler in Fort William ships these canned goods to Geraldton or Marathon, there is a charge of $1.37 per one hundred pounds for a journey of approximately 200 miles. As I say, this came about as a result of the horizontal freight rate increases that occurred during the last ten years. It was this policy of horizontal rate increases which damaged our chances to compete with other parts of the country, and which worked to our considerable disadvantage in comparison with the eastern parts of the province of Ontario.

This unfair policy, which we hope the recommendations of the royal commission on transportation will remedy in due course, has had the effect of turning shippers to and from the lakehead to motor transport for some of their needs. It is because of these cogent reasons that northwestern Ontario has suffered more than its share from unbalanced freight rates which, directly or indirectly, everyone must pay. Higher freight costs, I submit, have a direct relationship with higher than average unemployment.

I think we should preserve the competitive spirit in Canadian transportation. The government should preserve competition as it battles cartels and combines. An independent trucking industry should be given an opportunity to compete and survive for the benefit of all Canadians. The passing of this bill will at least give the trucking industry a chance to speak and fight for itself, from which in the end no one would suffer but rather each would enjoy the fruit of his labour.

(Translation):

Mr. J. J. Martel (Chapleau): Mr. Speaker, before this bill is read for the second time, I should like to point out to hon. members some considerations which made me support this legislation. As did the hon. member who preceded me, I shall commend the mover of the bill, the hon. member for Vancouver-Kingsway (Mr. Browne) who, I think, is sincerely concerned in the trucking industry, as he, indeed, proved to be when a somewhat similar legislation was submitted—as he mentioned a few moments ago—i.e. when Bill C-33 was brought forward in the first half of this session and, as we may recall, was passed unanimously by the house.

I have no intention of repeating what other hon. members said before me about trucking, but, as they stressed, that industry is constantly gaining in importance in this country. It should therefore, to my mind, certainly have at least the opportunity of competing on equal terms with the National Railways or the Canadian Pacific Railway company.

I believe it has already been proved in various ways that the railway companies are competing unfairly with the truckers in Quebec and throughout Canada. I shall mainly deal with the matter with regard to the province of Quebec. Obviously, such competition sometimes puts the trucking industry in a somewhat precarious position. It is known that the National Railways are subsidized by the federal government, and that they use these amounts in a way prejudicial to the trucking industry, because the truckers have to face a heavier competition when the railways are resorting to what could be called unfair practices by lowering their rates below cost price.

We must not forget that truckers pay income tax, that they pay taxes and contribute their share to the federal treasury, and further that in the end that money is used to create difficulties for them.

Obviously others tell us that railways and railway employees also had to face competition from truckers especially in the last few years and since the first world war.

Now, this amendment proposed in Bill C-39 will enable each group, the trucking industry on the one hand and the railways on the other hand, amending as it does clause 334 of the Railway Act, to submit representations to the board of transport commissioners in order that their views may be to known.

I support the bill because it will permit free competition between the operators of the various means of transportation we have in this country.

I feel, as was pointed out by previous speakers, that we must protect the interests

of the general public in the whole country. Therefore, if some areas of the country have obtained rate reduction on account of the competition from truckers, I feel that it should be admitted that railway freight rates should not be set below cost and this in order that competition may be fair.

If the freight rates or the railway rates are below cost, they necessarily threaten the trucking companies already doing business in the country, and since the railways, and particularly the Canadian National Railways, have deficits and it is the government which pays those deficits, I feel that the situation is unfair for truckers.

Furthermore, I know that the trucking industry has already made representations to the federal government on that matter, as did the Quebec trucking industry which, last autumn, forwarded a brief to the Minister of Transport (Mr. Balcer) to set out its situation and even its opposition to any additional subsidy to the C.N.R.

All those questions are under consideration. Several have already been thoroughly dealt with by the government and others will be considered.

I therefore believe that it would be wise to pass this amendment so as to let the trucking industry put forward its views to the board of transport commissioners when they argue that the railways are competing with them in a discriminatory or dishonest way by abnormally cutting their transport rates.

For these reasons, I shall vote in favour of the bill.

Mr. Augustin Brassard (Lapointe): Mr. Speaker, I will take but a few minutes to say that I wholeheartedly support the bill introduced by the hon. member for Vancouver-Kingsway (Mr. Browne) under which the trucking industry will have a right of appeal to the board of transport commissioners regarding charges agreed upon by the Canadian National Railways or other railway companies and the shippers.

What I know of the trucking industry, I know from the submissions that were sent to us by the Quebec trucking association, but I believe the problem is the same in the nine other provinces.

I listened very carefully to the hon. member for Vancouver-Kingsway. I had the opportunity in the past to discuss that matter with him, and I know that he has a thorough knowledge of this serious problem which, I can safely say, threatens our country's trucking industry.

As was pointed out by a previous speaker, we adopted in this house, not very long ago, a bill guaranteeing some fundamental freedoms in this country. I feel that if a decision is taken by such a responsible public agency as the Board of Transport Commissioners for Canada, those who might fear encroachment of their rights should be entitled to appeal before those who have rendered a decision.

The Quebec trucking association, through the medium of Mr. Camille Archambault, has submitted to the Minister of Transport (Mr. Balcer), several briefs of which copies were circulated among us. In my opinion, it is time the government should take action in this particular field.

I do not want to be a hypocrite and say that I will vote in favour of the bill, because I strongly suspect that the question will never come to a vote. My only purpose in taking part in this debate is to make it clear to the government that there is a serious problem in the trucking industry and that it rests with the government to introduce in this house during the present session or the next, a bill to remedy the situation that the hon. member for Vancouver-Kingsway dealt with so efficiently.

The trucking industry employs thousands of Canadians, and revenues of taxes levied from Canadians should not contribute to the ruin of several companies engaged in this type of business in our country. If the Board of Transport Commissioners for Canada issues orders or gives rulings which are or could be prejudicial to the trucking industry, it seems to me that under the bill of rights we have adopted, the representatives of that industry should have the right to air their grievances before the board.

Mr. Speaker, I do not wish to delay our proceedings, but I would urge the government to take this problem into consideration once more, as it has undoubtedly done in the past, and to take concrete action either before the end of the current session or at the beginning of the next one.

(Text):

Mr. E. J. Broome (Vancouver South): Mr. Speaker, like other hon. members, I should like to congratulate the hon. member for Vancouver-Kingsway (Mr. Browne) on bringing forward Bill No. C-39, a companion piece to his Bill No. C-33, which this house passed unanimously before the summer recess. I trust that the house will do the same with this bill, but I hope it will not meet the same

fate that seems to have overtaken Bill No. C-33 in the other place. It seems to be rather unfortunate that bills sponsored by private members of this house do not get very far in the other place. In spite of the unanimous support for Bill No. C-33—and the members of the opposition who spoke in favour of that bill have spoken in favour of Bill No. C-39—it still sits in committee in the other place and no one knows when it will be reported out of committee. This I think is the wrong way for the other place to treat legislation which has been passed by this house.

Mr. Speaker: Order. I think I should intervene and remind the hon. member that it is not in order to criticize the actions of the other place.

Mr. Broome: Thank you, Mr. Speaker. I will not criticize the actions of the other place. I will let them speak for themselves.

As I have said, the bill under discussion is a companion piece of Bill No. C-33. Bill No. C-33, which was referred to by the sponsor, gave the right to trucking associations under the Transport Act to appeal to the minister. This bill gives trucking associations the right to appeal to the board of transport commissioners. In the special committee on government owned railways, air lines and shipping, the president of the Canadian National more than once mentioned the fact that the hon. member for Vancouver-Kingsway was an expert in this field of transportation so far as the trucking industry was concerned. I think that we who have listened not only to his explanation of and reason for this bill, but also to his explanation of his previous bill can well understand that he has done a great deal of research and study. I know myself that he attended hearings before the board of transport commissioners. He also attended hearings in the other place. This is not by way of criticism at all, but he did attend hearings in the other place when the previous bill was under study. The point which was made which impressed me tremendously was that the board of transport commissioners do hear briefs and representations from provincial governments. They will hear representations from individual shippers or from an organization of shippers but, under the present legislation, they will not hear briefs or representations from those people who are most affected, namely a competitive shipping medium.

The hon. member for Vancouver-Kingsway had mentioned the fact that those incentive rates have been as much as 75 per cent lower than previous agreed charges or previous statutory rates. It does appear to me that if there was that much profit in the carrying of traffic—under the law the railways must not give an incentive rate or an agreed charge which is not compensatory; under the law the railways must make money on the rates they charge—if they could drop the rate 75 per cent, then we may ask how accurate is their costing, how accurate is their analysis of their own expenses. Perhaps they do not know what it costs to carry freight. As we were told in the special committee, a representative of the railway simply sits down with the manufacturer and agrees on a charge right across the board. This is fine. We are all for cheaper transportation in this country of tremendous distances, but we are not in favour of the elimination of competition because this will not bring cheap transportation. It will end in very expensive transportation charges.

There must be regulations. There must be regulation of the trucking industry in the same way as there is regulation of the railroads. It seems to me that the delegation of this responsibility to the individual public utility commissions of the ten provinces is not the proper way to regulate the trucking industry when you consider its importance in the over-all transportation scheme of this country. A change must be made, and it would be better if this change were made in the way of government legislation introduced to take care not only of the railways but of other forms of transportation as well. There should be a bill to amend the Railway Act or the Transport Act. It would be much better for the government to introduce this legislation and it would not bog down in the other place.

In regard to incentive rates, it seems to me there is a possibility that an argument might be made to bring in the bill of rights because the bill of rights refers to:

> **The right of the individual to life, liberty, security of the person and enjoyment of property, and the right not to be deprived thereof except by due process of law.**

Certainly, a businessman operating a trucking business is operating his property, and if he has built up this business and then a government sponsored competitor goes to his customers and offers rates which are not compensatory but are offered with the idea of driving this man out of business, is it not a fact that he has been deprived of the enjoyment and the use of his property? This is the nub of the problem, whether the rates charged are compensatory. This is the point the hon. member for Vancouver-Kingsway has made time after time. There is no guarantee that those incentive rates are compensatory. There can be no guarantee unless an investigation is made. As he pointed out, out of some 30,000 rates allowed over the last period of years not more than ten have been investigated.

Those were investigated only because complaints were made, but complaints cannot be made by the people who know best whether the rates are compensatory. Therefore, Mr. Speaker, it seems to me that this bill will be of advantage to the railways themselves, because it is not doing the railway any service for the board of transport commissioners to agree to rates which will cause the railways to lose money, and in so doing also wreck a competitive business.

From our work on the special committee we know that over the last three years $5 million has been voted each year for the acquisition of truck lines by the Canadian National system. We do not know whether the prices paid were right. We do not know about the operations of these companies. We do not know how profitable they have been. We do know, mainly by reason of the work by the hon. member for Vancouver-Kingsway (Mr. Browne), that they have not been as successful under railway operation as they were under private operation. This may well change in the years to come, but there must be control and regulation. It comes down to that.

Ever since confederation we have had control and regulation of transportation costs whether the transportation has been by railway or is now by truck, pipe line, air freight or what have you. In this particular field we are Balkanized into ten different nations, ten different provinces, each with its own regulatory body and with no body governing interprovincial trade. It does seem to me that the hon. member has done a service to the house and to the country by bringing this condition to the attention of the house.

Mr. J. S. Speakman (Wetaskiwin): Mr. Speaker, I too wish to support strongly Bill No. C-39. I should like to read the provision because I think the operative words in the bill should be emphasized. They are:

> If an association or other body representative of the motor vehicle operators of Canada or of a province thereof considers that a competitive rate has subjected the said operators to an undue, or unreasonable prejudice or disadvantage, the said association or other body may apply to the board—

I emphasize those words. The bill simply seeks the right for these people to apply to the board. It does not bind the board in any way to give a favourable decision. It simply gives a part of our private enterprise system the right of appeal against a discriminatory practice.

I do not think anybody in this house and possibly no Canadian would deny that Canada still needs its railways. We need them so much that we will not deny their very great need at this time for financial assistance from the public purse. When the railways first came into existence in Canada they performed a great service. They knit what was then raw, unsettled land into a great nation, a nation which will become greater. But surely in 1961, over 70 years later, there is a need for a wider and more diversified transportation industry and less of a need for the monopoly which the railways have enjoyed for all these many years.

We need our trucking industry. We need it more each day. Certainly in the province of Alberta, other western provinces and in in our new northern areas which are opening up the need for the trucking industry is as great today as was the need for railways 70 or 75 years ago. Surely then we should not deny them the right simply to apply to the board with regard to unfair or discriminatory practices. All the bill seeks is the right to apply to a board created by the federal government for a fair hearing and possible correction of what might be an unfair practice.

We in the west look at what the trucking industry has done. It has brought perhaps the greatest period of prosperity to Canada and certainly to the province of Alberta since 1946 and 1947 that we have ever enjoyed. It has brought to us and helped to maintain and expand our oil industry. Without the trucking industry we would have no oil industry as we know it today. We might have another Turner valley but not an oil industry which stretches from the United States border up into the Arctic islands. This industry has brought to western Canada and Canada generally enrichment of our economy and surely we should not deny those who are active in the industry the right to apply to one of our boards if they are being unfairly or unjustly treated.

The hon. member for Vancouver-Kingsway (Mr. Browne) mentioned that there are 90,000 Canadians employed in the trucking industry. So far as their right to employment is concerned, surely they are entitled to this protection, the right to apply to the board if they are being discriminated against. Surely in this country, which we like to think is one of the freest in the western world, the right of monopoly should not be upheld.

In his introduction of the bill the hon. member also mentioned a trucking company which was acquired by the crown-owned railway. I should like to remind the house and particularly the Minister of Transport (Mr. Balcer) that some time before the summer recess I asked the minister a question which has not yet been answered. It had to do with East-West Transport Limited lowering its rates and being the greatest offender in the industry in lowering rates to what is probably an uneconomic level in

an endeavour to force upon Canadian business and the Canadian people a monopoly in the transportation industry.

As I say, this bill simply seeks the right to apply to the board of transport commissioners for protection of an industry that has been built up from an infant to a very efficient operation which is becoming larger all the time. The trucking industry is not asking for a monopoly. They are simply asking for the right to appeal against monopoly. May I call it six o'clock.

Mr. Speaker: Six o'clock.

BUSINESS OF THE HOUSE

Mr. Pickersgill: Mr. Speaker, perhaps the house leader could give us as much of a preview as possible of the expectations of the government for next week.

Mr. Churchill: The preview, subject to change if circumstances so require and with adequate consultation and notification, is as follows: On Monday we will continue with the estimates of the Department of External Affairs followed by the estimates of the Department of National Defence which might commence Monday and certainly would be carried on on Tuesday. On Wednesday the estimates of privy council, which are under the direction of the Prime Minister, would be before the house. It is not the intention to bring forward any legislative matters next week.

Mr. Pickersgill: I take it that the Prime Minister's estimates would be the first item of business on Wednesday and I assume that if they were finished we would go back to national defence or whatever other department was under consideration.

Mr. Churchill: I think that will be the arrangement for next week, the estimates of external affairs, national defence and privy council and, if they are completed, the Department of Defence Production.

At six o'clock the house adjourned, without question put, pursuant to standing order.

HOUSE OF COMMONS

Monday, September 11, 1961

The house met at 11 a.m.

VACANCY

Mr. Speaker: I have the honour to inform the house that consequent upon notification of a vacancy in the representation, given in this house on Friday, September 8, 1961, by the hon. member for Welland, and pursuant to section 10 of the House of Commons Act, I have addressed my warrant to the chief electoral officer for the issue of a new writ for the election of a member in the electoral district of Waterloo South.

ROYAL CANADIAN AIR FORCE

ANNOUNCEMENT OF PROCUREMENT OF NEW JET TRAINER

Hon. D. S. Harkness (Minister of National Defence): Mr. Speaker, it has been decided to procure a jet basic training aircraft for the R.C.A.F. The new aircraft, the Canadair-built CL-41, will replace the piston engined, propeller driven Harvard trainers which have been in service in the R.C.A.F. for more than 20 years.

The R.C.A.F. has been considering the introduction of a basic jet trainer for several years, and has tested and evaluated most of the training aircraft available in the western world. The introduction of a basic jet training aircraft will enable the R.C.A.F. to provide all-through jet training. The great majority of the pilots are trained for initial duty with the Canadian air division in Europe and the R.C.A.F. air defence command in Canada. Squadrons in both these forces are soon to be equipped with ultra high speed and high flying aircraft, and it was considered essential that future pilot trainees be introduced to both high speed and high altitude flight at the earliest possible stage in their training.

The new trainer will not only introduce the pilot to these aspects of flight early in his flying training but will also enable him to have a greater amount of jet flying experience before he is introduced to operational aircraft.

The CL-41 is the newest and most modern jet trainer available. It is powered by a turbojet engine and, like all modern aircraft, has a tricycle undercarriage. It is pressurized and has an altitude capability of 44,500 feet. The CL-41 speed range is from 65 knots to speeds in excess of 400 knots. It is equipped with an automatic ejection seat. The instrumentation and performance characteristics of the CL-41 will greatly facilitate transition to operational aircraft, and will enable the R.C.A.F. to produce more efficiently the skilled pilots required to fly modern high performance aircraft. The new trainer will enter service in 1963.

INDIAN ACT

AMENDMENT RESPECTING POSSESSION AND CONSUMPTION OF INTOXICANTS

Mr. Frank Howard (Skeena) moved for leave to introduce Bill No. C-124, to amend the Indian Act.

Some hon. Members: Explain.

Mr. Howard: Mr. Speaker, this bill follows upon the unanimous recommendation of the joint Senate and House of Commons committee on Indian affairs which was presented on July 8, 1961, with respect to the possession and consumption of intoxicants, or liquor as they are commonly referred to. The bill seeks to put into effect that unanimous recommendation by placing the native Indian people in the same position with respect to rights and responsibilities as other Canadians regarding liquor off the reserve, and seeks to allow for liquor on a reserve after the majority of the members of a particular band have voted in favour of it.

Motion agreed to and bill read the first time.

CANADIAN WHEAT BOARD ACT

PROVISION FOR PURCHASE OF FARM-STORED WHEAT

Mr. Hazen Argue (Assiniboia) moved for leave to introduce Bill No. C-125, to amend the Canadian Wheat Board Act.

Mr. Herridge: Explain.

Mr. Argue: Mr. Speaker, the purpose of this bill is to take another step forward to bring about full equalization in respect of grain delivery opportunities to western producers by enabling the Canadian wheat board, if it felt it necessary, to purchase grain stored on farms.

Motion agreed to and bill read the first time.

Proposed Legislation

NATIONAL HOUSING ACT

AMENDMENTS INCREASING AMOUNTS AVAILABLE FOR LOANS AND RESEARCH

Hon. D. J. Walker (Minister of Public Works) moved that the house go into committee at the next sitting to consider the following resolution, which has been recommended to the house by His Excellency:

That it is expedient to introduce a measure to amend the National Housing Act, 1954:

1. To increase from one billion five hundred million dollars to two billion dollars the maximum charge on the consolidated revenue fund for direct loaning by Central Mortgage and Housing Corporation;

2. To increase from five million dollars to ten million dollars the maximum charge on the consolidated revenue fund for housing research and community planning;

3. To increase from fifty million dollars to one hundred million dollars the maximum charge on the consolidated revenue fund for loans for university housing projects;

4. To increase from one hundred million dollars to two hundred million dollars the maximum charge on the consolidated revenue fund for loans for municipal sewage treatment projects.

Motion agreed to.

NATURAL RESOURCES

LEGISLATION RESPECTING ADMINISTRATION OF WESTERN SCHOOL LANDS

Hon. George C. Nowlan (Acting Minister of Finance) moved that the house go into committee at the next sitting to consider the following resolution, which has been recommended to the house by His Excellency:

That it is expedient to bring in a measure to confirm certain agreements entered into between the government of Canada and the governments of the provinces of Manitoba, Alberta, and Saskatchewan, dated 13th July, 1961, 13th July, 1961, and 14th July, 1961, respectively, respecting the administration and control of natural resources in those provinces in order to vest those provinces with full power to administer and dispose of the school lands and the school land funds referred to in the said agreements.

Motion agreed to.

MOTION FOR PAPERS

TELEVISION SERVICE, MADAWASKA AND VICTORIA COUNTIES, N.B.

Motion No. 159—**Mr. Robichaud:**

For a copy of all correspondence, telegrams, and other documents exchanged between the board of broadcast governors or the Department of Transport or the Minister of National Revenue and all other persons concerning the granting of a licence for a television satellite or a rebroadcasting station to provide television service to the French-speaking population of Madawaska and Victoria counties in New Brunswick.

Hon. George C. Nowlan (Minister of National Revenue): Mr. Speaker, this of course should be an order for return, as it covers several departments and does not involve a time limit. I have correspondence in my office in regard to this matter received during the past four years. I now have a file approximately a foot thick, and wonder whether this motion could stand until I have had an opportunity of discussing the situation with the hon. member with a view to shortening it.

Motion stands.

AIR TRANSPORT

C.P.A.—APPROVAL OF FLIGHT FROM WESTERN CANADA TO LONDON

On the orders of the day:

Hon. Lionel Chevrier (Laurier): Mr. Speaker, I should like to direct a question to the Minister of Transport in connection with the decision of the government to allow Canadian Pacific Airlines to fly between western Canada and London. Must the British government give its approval to this decision, and if so has this been done?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, following the decision of the government my colleague the minister of external affairs has received an aide memoir from the British government requesting further information and pointing out certain facts. This government is at the present time in the process of supplying this information to the British government.

Mr. Chevrier: I should like to ask a supplementary question. Was the United Kingdom government consulted before this government announced its decision in so far as the new air route was concerned?

Mr. Balcer: Mr. Speaker, we have followed the necessary practice and procedure which must be followed in such circumstances.

COMBINES

MEAT PACKING—RECOMMENDATION RESPECTING DISSOLVING OF MERGER

On the orders of the day:

Mr. Hazen Argue (Assiniboia): Mr. Speaker, I should like to direct a question to the Minister of Justice. Can the minister inform the house what action the government is taking following the recommendation of the restrictive trade practices commission that the government seek a court order to have a merger in the meat packing industry dissolved, or prevent further mergers taking place?

Hon. E. D. Fulton (Minister of Justice): As the release which accompanied the report when it was made public states, the minister is considering what further action should be

taken in the light of the report, in accordance with the usual considerations that have to be kept in mind.

Mr. Argue: A supplementary question. Can the minister say whether it is anticipated that action will be required by parliament to prevent such mergers taking place?

Mr. Fulton: Mr. Speaker, it would be quite impossible and I think improper for me to comment on that until such time as a decision is reached on whether there is any contravention of the present law in the facts disclosed in the report.

INDUSTRY

SHIP OPERATING AND SHIPBUILDING—PRINTING OF REGULATIONS IN "VOTES AND PROCEEDINGS"

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, on Friday the Minister of Transport indicated that he would be tabling the regulations respecting shipbuilding in the house today. Has that been done simply by sending them to the Clerk? If so, would the minister consider, in view of the great interest in these regulations, asking the house to have them printed either in *Votes and Proceedings* or in *Hansard* of today?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, I will be pleased to move that these regulations be included in *Votes and Proceedings* of today.

Mr. Pickersgill: Have they already been tabled?

Mr. Balcer: Yes, Mr. Speaker.

Mr. Speaker: Does the house concur in the suggestion that the regulations mentioned by the hon. member for Bonavista-Twillingate be printed in today's *Votes and Proceedings*?

Some hon. Members: Agreed.

Mr. Speaker: It is so ordered.

OIL

OFF-SHORE LANDS—INQUIRY AS TO CONFLICT OVER JURISDICTION

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to address a question to the Minister of Northern Affairs and National Resources. In view of the known desire of the minister to promote the spirit of goodwill among nations, governments and individuals, and in view of the fact that the government of British Columbia is reported awarding exploration rights to a million acres of offshore oil land to 12 companies, in opposition to the federal governments claim to jurisdiction over all off-shore acres, will the minister inform the house whether he has been able to effect a reconciliation of views with respect to this constitutional enigma?

Hon. W. G. Dinsdale (Minister of Northern Affairs and National Resources): Mr. Speaker, I thank the hon. member for his comments concerning my conciliatory abilities, but I think the subject matter to which he referred in his question would have to be decided by the courts.

Mr. Herridge: A supplementary question; I am not very quick on the draw this morning. Can the minister inform the house whether the government of Canada intends to take the initiative in bringing this matter before the supreme court?

Mr. Dinsdale: Mr. Speaker, the Department of Northern Affairs and National Resources, on the advice of the legal officers, has administered these territories on behalf of the government on the basis of the opinion that the sea bed and subsoil resources are vested in the crown in the right of Canada. This applies not only to the lands under territorial waters but also to the continental shelf. Any reversal of that position would depend upon the advice of the courts.

NATIONAL DEFENCE

INQUIRY AS TO PROPOSED EMERGENCY ARMY HEADQUARTERS

On the orders of the day:

Hon. Paul Martin (Essex East): Mr. Speaker, may I ask the Minister of National Defence whether he feels he is in a position to answer this question. If he is not in a position to answer today he may take it as notice. Can the minister pinpoint those target cities in Canada where it is proposed to establish emergency army headquarters, as was announced by the minister in his statement on Thursday last?

Hon. D. S. Harkness (Minister of National Defence): Mr. Speaker, I do not think it would be in the public interest to make a statement as to exactly where those various headquarters are located at the present time.

Mr. Martin (Essex East): Everybody is going to know them.

AIRPORTS

FORT WILLIAM—REQUEST FOR IMPROVEMENT OF RUNWAYS

On the orders of the day:

Mr. Hubert Badanai (Fort William): Mr. Speaker, I wish to direct a question to the Minister of Transport. Owing to the lack of

necessary runway modifications, I am informed that T.C.A. will not operate Vanguard aircraft through the lakehead. Is the minister in a position to advise the house when the necessary improvement of runways at the Fort William airport will be carried out which will enable the more modern and larger aircraft to serve the lakehead area?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, I will be very pleased to give an answer to my hon. friend tomorrow or the day after.

OLD AGE SECURITY

REPORT OF DR. CLARK—INQUIRY AS TO GOVERNMENT STUDY

On the orders of the day:

Mr. Frank Howard (Skeena): I should like to direct a question to the Minister of National Health and Welfare. Along with his many other duties has he had time to complete his study of the Clark report and, if so, what action will be taken as a result thereof?

Hon. J. W. Monteith (Minister of National Health and Welfare): Mr. Speaker, the study is still going on very, very seriously.

Mr. Pickersgill: Very, very slowly.

Hon. Paul Martin (Essex East): I should like to ask a supplementary question. Can the minister tell the house whether we may expect some announcement by the minister before the end of the present session of parliament that the study has been completed?

Mr. Monteith (Perth): Whenever there is anything to be made public concerning the study of the Clark report it will be announced in the house.

LABOUR CONDITIONS

INQUIRY AS TO SHORTAGE OF SKILLED WORKERS

On the orders of the day:

Mr. John Matheson (Leeds): I should like to ask the Minister of Labour a question. In view of the recently reported sharp decrease in immigration and the large emigration of skilled workers from Canada last year, can the Minister of Labour advise the house whether this trend has further aggravated the shortage of skilled workers in Canada?

Hon. Michael Starr (Minister of Labour): Mr. Speaker, I would have to look into the situation in order to answer that question. If the hon. member will put his question on the order paper I will be glad to supply the information for him.

[Mr. Badanai.]

INDUSTRY

S.S. VACATIONLAND—INQUIRY RESPECTING IMPORTATION OF FERRY

On the orders of the day:

Hon. Lionel Chevrier (Laurier): Mr. Speaker, may I ask the Minister of National Revenue whether he has had an opportunity to look into the question which I put to him on Friday.

Hon. George C. Nowlan (Minister of National Revenue): I do not have the answer ready. I will deal with that tomorrow.

FISHERIES

NEWFOUNDLAND—REQUEST BY FISHERMEN FOR FEDERAL ASSISTANCE

On the orders of the day:

Hon. J. A. MacLean (Minister of Fisheries): Mr. Speaker, on Friday the hon. member for Bonavista-Twillingate asked me if I had replied to a communication sent me on August 24 by the secretary treasurer of the federation of fishermen of Newfoundland.

I replied to this letter on September 7, telling the secretary of our concern over the low fish catches and the fire damage over considerable areas, and also that the St. John's office of my department is carrying out a special statistical survey, the information from which should be available by Friday of this week. I also informed him that on Monday of next week, September 18, the chairman of the fisheries prices support board will be going to St. John's to discuss these problems in detail with the federation of fishermen, the provincial authorities and others. I also said that at the present time I do not consider it necessary to set up a formal committee, but such may be desirable after I have received the full report.

I should add that my colleague the Solicitor General and the hon. member for St. John's East have also been in communication with me regarding the urgency of this situation and have requested my continued sympathetic consideration of the problem.

Hon. J. W. Pickersgill (Bonavista-Twillingate): I should like to put a supplementary question. Can the minister assure us that the government will give to this problem the same urgent consideration that is being given to the short crop because of the drought in western Canada, in view of the fact that the conditions are exactly similar?

Mr. MacLean (Queens): Yes, Mr. Speaker. I think it is fair to say that this government gives sympathetic consideration to problems on a basis of equality regardless of where they arise in the country.

PUBLICATIONS

ROYAL COMMISSION REPORT—REPRESENTATIONS BY U.S. GOVERNMENT

On the orders of the day:

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, on Friday the hon. member for Kootenay West inquired regarding representations respecting the O'Leary commission report having been received from the United States. On August 4 the United States ambassador acquainted the government with the views of his government in this regard.

SUPPLY

Hon. George C. Nowlan (Acting Minister of Finance) moved that the house go into committee of supply.

Motion agreed to and the house went into committee, Mr. Chown in the chair.

The estimates of the following departments were first taken up and entered for consideration.

DEPARTMENT OF FINANCE

111. Departmental administration, $1,911,211.

LEGISLATION

The Speaker of the Senate—

190. Allowance in lieu of residence, $3,000.

PRIVY COUNCIL

312. Payment, notwithstanding anything in the Financial Administration Act or the Senate and House of Commons Act respecting the independence of parliament, to each member of the Queen's privy council for Canada who is a minister for whom no salary or allowance in addition to the allowances under section 33 and section 44 of the Senate and House of Commons Act is provided (the acceptance of which shall not render such member ineligible or disqualify him as a member of the House of Commons) of a salary of $7,500 per annum and pro rata for any period less than a year, $7,500.

DEPARTMENT OF VETERANS AFFAIRS

453. Departmental administration, $2,550,941.

The Deputy Chairman: We will now proceed to the consideration of the estimates of the Department of External Affairs, vote No. 76.

DEPARTMENT OF EXTERNAL AFFAIRS

76. Departmental administration, $6,924,915.

Mr. Mandziuk: When the committee rose at five o'clock on Friday last I had just completed my remarks concerning the Prime Minister's challenge to Russia to allow free elections in the countries under her domination, and the undiplomatic reaction thereto. Today we are bombarded with propaganda which is beamed at us and is intended to scare us into complete inaction. This propaganda gives us the impression that the whole western world, and the NATO countries in particular want war. We are told everyone wants war except Russia. Russia resumes nuclear tests, and we are told it is because of the threats to her security from the western world.

However, this propaganda makes no mention of the three years of fruitless effort by Great Britain and the United States to reach an agreement on the control or abolition of such tests. During those three years there have been 340 meetings and 340 "nyets" to every proposal made by the western powers. This propaganda machine makes no mention of the failure of the ten-nation disarmament commission, of which Canada is a member. This commission, too, failed because of the "nyets" to every proposal by the western powers. We certainly deplore Mr. Kennedy's decision to resume nuclear tests, but who should stand condemned by the world for having resumed such tests first and who, in the last few days, has exploded about half a dozen such bombs?

What is our hope for the future? Canada has made every effort to date, and the Canadian government is pressing to take every step in order to secure world peace. What appears to be the last resort is the charter of the United Nations, whose primary purpose is the maintenance of international peace and security. The Prime Minister said on September 1, while addressing the Canadian Bar Association in Winnipeg, "We must be ready to make use of the United Nations".

The setting up of the United Nations is the world's second attempt to ban wars and guarantee peace and freedom for all peoples. The first attempt in this century consisted of the league of nations. The league of nations redrew the boundaries of the various nations of the world; it freed some nations while it enslaved some others. But imperfect as that international organization was, it was scuttled by the two greedy conquerors and dictators, Hitler and Mussolini.

The United Nations today faces a like danger. What evidence of that have we? We have evidence in attacks upon the Secretary General of the United Nations, Dag Hammarskjold; an intention to neutralize or completely destroy the prestige and powers of that great office which the United Nations at its inception gave this official. Second, we have no financial or moral assistance from communist bloc nations to support our efforts to keep the peace in other parts of the world. I have in mind the Gaza strip and the Congo.

There is a feeling in the country that world tension cannot be settled by two individuals, even if a meeting between Mr. Kennedy and

Mr. Khrushchev should come about. What guarantee have we that this arrangement would last? We must still go back to the United Nations, because if this great body cannot assure peace in the world, nothing else can.

The Deputy Chairman: Order. I regret to inform the hon. member that his time has expired.

Mr. Carter: Mr. Chairman, since coming to parliament in 1949 I have always followed the debates on external affairs with the utmost interest. However, not until today have I had the temerity to participate in a debate on foreign policy. I had no intention of entering this debate until last Friday, when I was impressed by the point made by a number of hon. members that the situation which faces us today is so grave that every hon. member has a responsibility to his constituents and to his country to put forward whatever ideas he may have on this subject.

To my mind the present world situation is analogous to two young people in hot rods rushing toward each other at terrific speed, each trying to make the other "chicken out". In such a situation the least we can expect is an accident. I do not pretend to speak for my constituents. I do not know how they feel about the present world situation. It is my opinion that most of them are not too well informed on what is going on in the world at large, and I know that many of them are too busy fighting fires and too concerned with eking out a bare existence to be able to give much thought to these matters. I rather suspect that this applies to the majority of people in my province, and perhaps throughout the nation. It is probably true of the majority of the nations in the Soviet bloc and of the three billion inhabitants of the world whose fate lies in the hands of those few people who have to work out the relationships among various nations. Our constituents for the most part are content to leave these matters to us, and they look to us for direction and leadership. In my opinion that is all the more reason why each one of us in this parliament should make whatever contribution we can.

Several hon. members have referred to the need for a critical analysis of western foreign policy. I should like to make it clear that the views which I am about to express are entirely my own. Looking back over the years since world war II it is very apparent that, with one or two exceptions, western policy has been dictated by events, and the events have been dictated or engineered by Moscow and Peking. This is an indisputable fact and we would do well to ask ourselves why this should be so.

[Mr. Mandziuk.]

In my opinion there are several reasons, and I think it behoves us to take an honest look at them and do what we can to correct them. Western policy has not been forward looking, in my opinion, because it has been too much concerned with preserving the status quo. This kind of thinking has coloured western policy by a mental attitude that is based on what I believe is a false concept, which is that everything would be all right in the world if all other peoples and nations were only just like us. This kind of thinking has blinded us to our own faults and failures; it is responsible for our self-righteous attitudes, our apathies, our indifference to the exploitations that have gone on in other countries, and the superiority complexes which we have developed and which are so apparent to other nations.

It seems to me that we in the west have very much to be sorry for in our dealings with other nations, and we should realize that our failures and weaknesses have contributed to the crisis with which we are now faced. In that regard we must bear our full share of responsibility. This should be a very humbling thought.

Perhaps this same mental block has blinded our diplomats to the basic fact that the present social order cannot endure in its present form. In the words of the poet, "The old order changeth, giving place to new". When one thinks of it, the present social order is not a very good one, when we realize that two billion human beings go to bed hungry every night. It is not even a very good social order for many Canadians.

There are many in my own province and particularly in my own constituency who are going to be faced with a very lean and hungry winter having regard to the bare necessities of food, shelter and clothing. It does not have to be that way. There is in the world enough for everybody's needs. However, we have not had the will to come to grips with the evils that prevent an equal distribution of the necessities of life. Hence there are in the world today two billion people who are not satisfied with the present order and who desire a change. There are also a number of committed communists who are dedicated to changing that order. There is therefore no doubt at all in my mind that change must and will come. The status quo cannot be preserved. The only question is this. What kind of new order shall we have in its place? Will it be an order shaped by the forces of communism, or will it be shaped by what we call our democratic ideas and values?

The democratic forces in the world today are numerically weak. Of the three billion people who inhabit the world, more than one

billion are behind the iron curtain and subscribe to the communist way of life. Another one billion are undecided and uncommitted, and they are not satisfied with our present order. Neither are they satisfied with the order which the communists present as an alternative. Then there are some three quarters of a billion people who profess some form of allegiance to democracy, but most of this is lip service. We do not really practice what we preach, not even in this parliament.

I think one of the reasons we are faced with this crisis today is that the west has not faced up realistically to these facts. It is true that we have tried to modify the capitalist system to various forms of a welfare state or some sort of socialism. However, the trouble is that these are but different forms of materialism, and the materialism of the left is no answer to the materialism of the right. Neither does it provide a satisfactory alternative as the basis of a social order. But in a clash between these two, the materialism of the right is too soft and too self indulgent to withstand the discipline of the left. A new order must be built at some date, and it must be built on moral values. If we do this, the material needs of life will fall into their proper place and take care of themselves.

It seems to me also that another reason the west is so much on the defensive is that we have never bothered to understand what an ideology really is. We shun the word, and when we use it we seldom do so in its proper context. The communists have an ideology. What does that mean? It means first of all that they have an overriding world objective, and they have summed it up in a very neat phrase, namely that the Soviet internationale shall be the human race. The conquest of the world is their overriding objective. Not only have they an objective, however; they have a global plan and a global strategy for achieving it. In addition to that, they have an unswerving dedication and commitment to attain that objective. No sacrifice is too great, whether it be of money, material or even life itself.

What is the west's overriding objective? What plan do we have for the world? What strategy do we have? To what are we committed as individual Canadians or as a nation? We know that Mr. Khrushchev is committed to the victory of communism. The Berlin crisis is just another thrust for world power on his part, and it is the greatest one yet.

However, if we are realistic I think we must expect more and even greater ones to follow. He has many objectives. The present objective, of course, is to mobilize our fears. That is objective No. 1. Objective No. 2 is to focus our attention on the Berlin issue itself, apart from the true issue of the survival of freedom throughout the world. It is true that his testing of the atom bomb is having some results in preying on our fears and building up the kind of pressure that tends to push us into negotiations which he so dearly desires.

Perhaps we shall have to do it. However, let us not fool ourselves. Any attempt to negotiate with Mr. Khrushchev on his terms or to discuss his aims on his terms will be a victory for Mr. K. Personally I do not see what basis exists for negotiation with Mr. Khrushchev or any of the communists. They do not believe in God. They subscribe to no moral code. They stigmatize religious faith as the opiate of the people. Lenin himself has declared that foreign policy must be based on dodges, tricks and untruth. Mr. Stalin has confirmed this declaration, and Mr. Khrushchev has done so as well. What basis then exists for negotiation? What value can we place on any agreement which might be arrived at? In his resumption of atomic tests Mr. Khrushchev himself has already proved to us how little reliance can be placed on his word and his pledges.

It seems to me, then, that at best negotiation could be but a salvage operation or some form of delaying tactics. At worst it could be a compromise, and there should be no compromise with evil. I think this points up another defect in our western policy or our western attitude toward foreign policy. There is about it too much of what I would call Micawberism. We are always waiting and hoping that something is going to turn up which is going to relieve tension and provide a satisfactory way out of this fatal clash between the two ideologies.

However, if we are honest with ourselves we should know that nothing is going to turn up. The objectives of the communist world today are the same as they were 40 years ago. They change their tactics from time to time and they change their strategy, because they are flexible to the various changes in the world situation. However, there has never been any change in their long term objective. Mr. Khrushchev has made that fact abundantly clear on many occasions. Even if something happened to Mr. Khrushchev himself there would still be someone with the same objective, to take his place; or if Russia by any chance could be won over we would still have the Chinese republic to deal with.

I think there is another alternative which should be explored which so far has not been mentioned during this debate. That alternative

is for the west to take the offensive. I have never seen a victory won through a series of retreats. However gradual and slight the retreats may be, they are nevertheless retreats. On the other hand, when Mr. Khrushchev has been faced with positive alternatives he has been forced to retreat. I therefore feel the west should assume the offensive in demanding first the unification of Germany, and second, a free vote supervised by the United Nations for all the satellite countries which have been swallowed behind the iron curtain.

I suggest we should not stop there, but should then call upon Mr. Khrushchev and his counterpart Mao Tse-tung to unite with the west in building a new world order free from fear, want and greed. This should be a new social order which under God will make for better human relationship, for unselfish co-operation, for cleaner business, cleaner politics and for the elimination of political, industrial and racial antagonisms. Surely this is an opportunity through which the west can seize the initiative and issue a challenge to the communist world. If order is ever to come out of chaos in national and international affairs some nation must at some time produce new leadership free from the bondage of fear, rising above ambition, and flexible to divine guidance. Such a nation would be at peace within itself and a peace maker within the international family.

Mr. Chairman, it is my conviction that Canada can be that nation. If we as members of parliament, to whom the people are looking for direction and leadership, possess the moral courage to speak out and say what we actually believe, and the guts to stand up and fight in order to give those things to our nation and the world, then Canada might well lead the world out of its present chaos.

Mr. Nesbitt: Mr. Chairman, this morning I should like to confine my remarks in this debate to two subjects. I should first of all like to make some observations regarding the future of United Nations, and second concerning the present crisis in Berlin and NATO.

First of all regarding the United Nations, during the last few years there have been many changes, as all members appreciate. Having had the opportunity and honour of attending the United Nations in various capacities in the last number of years—I first went there as a parliamentary observer, at which time the hon. member for Essex East was vice-chairman of the delegation—I can assure you the changes have been many. When I attended its deliberations originally something over 50 countries had membership in the United Nations, while there are now almost 100.

Accompanying this change in the membership of the United Nations have been a great many attendant problems. I think all will agree that the United Nations is the best organization that man has been able to devise to date, and that it must continue its operations in the future.

There are many dangers which confront the United Nations at the present time. There are many faults which exist in the United Nations itself. However, I suggest there is no advantage in acting like an ostrich, with our heads in the sand, pretending these faults do not exist. I suggest the best approach is to recognize them and attempt to correct them.

The first and principal danger to the United Nations is the present attack by the Soviet union in respect to its organization. I suggest one does not have to look far to see the reason for this. The United Nations has quite clearly on many occasions frustrated the ultimate designs of the Soviet union. It was quite clear at the fifteenth general assembly last year that one of the principal objectives of the Soviet delegates was to destroy or at least emasculate the United Nations organization. This was attempted in several ways, first of all by personal attack on the secretary general, Mr. Dag Hammarskjold, and second by suggesting changes in the structure of the United Nations.

The personal attacks on the secretary general were not successful last year. Toward the end of that general assembly, I believe in March, a vote was taken, the details of which are not important but which in effect turned out to be one of confidence in the secretary general, with the only delegates voting against him being those of the Soviet bloc. I feel safe in stating that so far these attacks upon the secretary general by the Soviet union and satellite delegates have been unsuccessful.

However, that does not mean they will not be successful in the future, because the Soviet union, as I am sure all members know, is a very determined country. Time does not mean the same thing to Russians as it means to the people of the west. We are accustomed to accomplishing objectives within a matter of months or a few years. On the contrary, the Russian concept of time certainly appears to be much different. There is ample indication that the Russians are prepared to wait five, ten or fifteen years, and perhaps longer, to attain their ultimate objectives. Last year no horses were spared, so to speak, in making these attacks upon the secretary general. Even when misprints appeared in United Nations documents Soviet delegates suggested they were manifestations of the inefficiency

of the secretary general. That is an example of the type of thing which occurred last year.

The other principal method employed by the Soviet delegates involved attacks upon and suggested changes in the structure of the United Nations. The suggested changes gained certain sympathy among other delegates to the United Nations chiefly because of the great enlargement in the number of organizations within the United Nations and because they had not expanded as perhaps they should have. I will have more to say in that regard in a few moments.

The suggestion by the delegates of the Soviet union involved a tripartite leadership or "Troika", a three headed affair much like Cerberus in mythology the three headed dog who guarded the gates to Hades. This suggestion sounded very logical, there being one head from the west, one from the Soviet bloc and one from the neutrals, whoever they may be. Under this set-up there would be three secretary generals each with a veto power. Recently, Mr. Khrushchev informed Mr. Sulzberger that was not the meaning of the suggestion. However, in view of Mr. Khrushchev's recent statement that the Soviet union would never be first to resume nuclear testing, I do not think much weight can be placed on his undertakings.

The effect of a three headed organization for all branches of the United Nations is pretty obvious. The secretary general's duty is to implement resolutions passed by the general assembly. In regard to the establishment of three secretaries general, I do not think I need go further than point out that the difficulties would be almost insurmountable in view of the difficulty experienced on the part of one secretary general in implementing some resolutions in the past. If we had three secretaries general attempting to implement resolutions, I suggest the Russian delegates would be successful in accomplishing their intentions, and completely stultifying the work of the United Nations. If this three headed monster were to be duplicated in all branches and organizations of the United Nations, I suggest the chaotic results are very obvious.

The Soviet union has not succeeded so far, but that does not mean it will not succeed; because the election of a new secretary general comes up before long and the Soviet union, with veto power in the security council, will not agree to the appointment of a secretary general. They can hold up the appointment until they get their own way or partly their own way, and that is a very great danger to the United Nations at the moment.

The second matter I mentioned in this regard is the question of United Nation's finances. This has become most serious. Last spring the United Nations came within hours of closing its doors because financial arrangements could not be made. Probably the public is not aware of this, and I should like to take a few moments to deal briefly with the subject.

The legislative processes of the United Nations are somewhat different from those in this parliament or elsewhere. You have the strange situation in the United Nations that the general assembly can pass a resolution and it will be accepted by a two thirds majority, but at the same time there are no financial arrangements to carry out the resolution. The arrangements are made in advance each year by the fifth committee reporting to the general assembly. This peculiar arrangement, where resolutions are passed with the finances to carry them out not provided for, has caused a great deal of trouble in the UN. The particular difficulty in this regard has to do with the peace-keeping arrangements of the United Nations. The United Nations emergency force in the Middle East has had its problems. The trouble is that those peace-keeping arrangements are not regular budgetary items in the UN. Arrangements were made to provide finances for the United Nations emergency force, and those were not contributed to by all the countries. The Russian excuse was that it was an illegal undertaking, and they have never contributed.

The present peace-keeping arrangement of the United Nations which has been in the public eye a great deal is the question of the Congo. Again we ran into the problem of how to finance this particular arrangement. To date the results in the Congo have been a great success for the United Nations. That force cannot be continued unless some permanent financial arrangement is made. In this regard and it is no secret at all, that France has said she will not contribute to this arrangement, and so have certain other states. The Soviet union, of course, says it will not, and certain other countries have also said that they will not contribute to it because they felt the money required was too much, they could not afford it. Many other reasons have been given.

It is a very serious matter, Mr. Chairman. If permanent financial arrangements cannot be made for the UN it will not be able to carry out its peace-keeping function. If this is not done the United Nations might just as well close its doors. If I may say so, Mr. Chairman, last year this temporary disaster was averted thanks to Canada. We came very close to having to close the doors of the UN. The secretary general had used up all the cash on hand to

carry on the Congo operations and he had borrowed from various other UN organizations. A temporary arrangement was made.

At the present time, again thanks to the initiative of Canada, a 15-man committee representing 15 countries is studying the whole question of how to provide finances for the UN operations, including the operation that is going on at the present time, but it is going to be a very difficult problem to work out. Many countries feel they cannot afford it, and other countries will not contribute because they have no desire to see the United Nations succeed in these fields.

There is a great danger here again. It is well known that the United States and certain other large countries have agreed to "pick up the tab", so to speak, for a number of these efforts. Of course many people feel that that would play right into the hands of the Soviet union, because if western countries finance those operations then the Soviet can turn around and say, "He who pays the piper calls the tune, and we told you so all along." This is something that I think should be avoided. Every country in the United Nations should contribute its own reasonable share to the conduct of those operations of the United Nations.

Now, strange as it may seem, a number of countries of the United Nations are not worried about certain large western countries footing the bill. The representative of one country, I shall not say which one, said to me, "Well, we do not see anything wrong in the United States paying the bill for this United Nations operation. After all, they supply the money and we supply the ideas". The remark was not made in jest; it was made in all seriousness, much to my surprise. But this is a thing we have to watch. In any event, the financial question before the United Nations is a very serious one, and something which should be watched with the greatest care.

Another great danger to the United Nations is the question of expansion of the councils. I refer to the security council and the economic and social council. The security council consists of 11 members, five of them being permanent and six elected, of whom three are elected each year. The economic and social council has 18 members. These councils have not been expanded since the United Nations first came into being.

As I have already pointed out, we now have almost 100 countries in the United Nations. Naturally the newer countries of Asia and Africa feel that they should have adequate representation on those councils. The western countries, Canada included, have taken the lead on various occasions to try to expand those councils or inflate them in some way to provide quite adequate representation of Asians and Africans without giving up seats already held by the countries of Latin America, the western world, and so on. The Soviet union has steadfastly refused to permit expansion of those councils on the ground that it will not agree until the credentials of the representatives of the Peoples' Republic of China have been accepted by the credentials committee, and in effect communist China has a seat in the UN.

At first glance you would think that the Asian and African countries in the UN would be irritated by the Russian stand, refusing to give them adequate representation on those councils, but I have found at the United Nations that things are not always what they seem. Instead of being annoyed at the Soviet union over this, those countries have exerted great pressure on the west to dilute western representation on the councils and give up seats to the Asian and African countries. As a temporary measure this may seem reasonable, but again Soviet intransigence is evident. On the last two or three occasions temporary compromise arrangements have been made to give additional seats to the Asian and African countries at the expense of western representation. I think the Soviet union know this very well. By continuing to refuse to allow expansion of those councils they are being very effective; their objective of reducing the number of representatives of the west and of countries friendly to the west on those two councils is being achieved. This is something that should be watched with the greatest care.

Of course the western countries which dominated the United Nations when it was first formed no longer do so. It used to be that the Soviet and some of her allies and friends from time to time came close to mounting what is known at the United Nations as a "blocking third". That is, any important resolution before the general assembly must have a two thirds vote. Now the situation is that very often the western nations have dfficulty in acquiring a blocking third for resolutions put up by Asian and African countries, and often supported by the Soviet union. You may say, "What do you want with a blocking third?" Resolutions put up from time to time by other countries may be very good, but from time to time some of those resolutions are by no means the wisest, and this brings in the next two points that I should like to touch on briefly. I refer to two broad influences which are at work in the United Nations all the time. One is the anti-colonial

influence and the other is the cold war influence. These two influences seem to permeate virtually every debate and every resolution at the United Nations.

Anti-colonial feeling we can all understand. Every one of us can understand why people in Asia and Africa should have a strong anti-colonial feeling which reflects against the western powers. That we can understand, but often this influence is not manifested by means of logic at all but rather by emotion. In due course this situation will probably clear up, but at the present time it presents a very serious danger to the United Nations.

I should like to give a brief example of this influence. There is a resolution before the United Nations involving a plan put forward by the United States called, I believe, "Africa, a plan for economic and political development". This emphasis on this plan has been somewhat altered to overemphasize political development, and the particular emphasis has been that of setting target dates for the independence of a number of new states. On the face of it that sounds fine, but for very obvious reasons—for instance, to avoid a situation such as arose in the Congo—it is not desirable to set a specific date until the people in the area are able to take over the government of their country themselves.

The United Kingdom, of course, has been remarkably successful in this field, and it has been explained at the United Nations that the matter of target dates is not directed at the United Kingdom but rather at certain other countries. That may well be the case but once target dates are fixed they must be accepted by all and these are very impractical for the reasons I have pointed out. A number of countries in Africa and elsewhere have pointed out to me privately that they realize this is an impractical idea, but one of the less responsible countries has brought it forward and these governments naturally have to pay attention to the views of the electorate at home or, if there is no electorate, the people who live in the country. The result is that one country in Africa makes a matter an emotional issue on anti-colonial grounds and these other countries virtually have to go along, even though they really do not think the idea is sensible or practical.

That is the type of thing we have to watch there. A great many of the resolutions at the United Nations have become more and more dominated by emotional feeling rather than by logic. I think this is a matter that will clear up in due course, but at the present time it is a very great danger.

Together with the growth of the organization itself, we also seem to have had a growth of long, repetitious speeches and other things. This again will have to be dealt with, and perhaps some time when the United Nations organization is streamlined it will be possible to do something to restrict the number of times a person can speak in a debate. This will have to be worked out, but the present practice tends to bog down the work of the United Nations. People tend to lose interest, and I am afraid that sometimes a very bad appearance is presented to the public whose support is necessary for the continuance of the United Nations. I am sorry to say also that some countries seem to have personalities representing them whose views do not always accord with those of their governments. There is a tendency for a number of so-called personalities at the United Nations to put on shows of exhibitionism which certainly in no way assist the United Nations.

The last thing I should like to mention in this regard is the question of the cold war influence. Again, this is an influence that interferes with virtually every subject that comes before the United Nations. You will find that the cold war always creeps in in some way. You will find that some countries always vote one way and other countries always vote the other way, while a large number of countries will never stand up and be counted at all. We have seen some evidence outside the United Nations recently of how a number of neutral countries have behaved. I wonder what would have been said by some of these countries if the United States had been the country to start nuclear tests again, but when another country did it nothing much was said in that regard.

I have other comments on the cold war influence which I will make later. As I have pointed out, a number of countries will not stand up and be counted. It has been said that Canada and a number of other countries should lead a crusade for world peace and get things started. For goodness sake, no one has tried harder to do this than the Secretary of State for External Affairs. Let me give one example. Last year Canada had a moderate, sensible resolution concerning disarmament before the United Nations. Hardly anybody disagreed with its substance even publicly, although one or two said privately that they could not agree publicly although they agreed privately. When we tried to get a vote on it we could not do so, because such a large number of countries felt that the Soviet union did not approve and therefore they would not even vote on whether a vote should be taken on the resolution.

That is what you encounter at the United Nations. It is very frustrating to find that many countries will not do anything unless it has the approval of both the United States and the Soviet union. I do not wish to present

too gloomy a view of the United Nations, but I think these are home truths that must be faced, and if the organization is to succeed we must find some way to get around these difficulties.

In the remainder of my remarks I should like to deal briefly with the question of the present crisis in Berlin and the subject of NATO. In particular I should like to refer to the stand of the New Democratic party on this subject. As everyone knows, this is a matter of great importance to everybody not only in Canada but in the world, and for that reason I think the political parties of Canada should make very clear what are their stands. The stand of the government party is quite clear, as is that of the official opposition, and they are substantially in agreement. The New Democratic party does not seem quite as clear or quite as certain.

There are a number of things I should like to bring to the attention of hon. members, and perhaps they will be clarified later by one of the members of the New Democratic party. In a nutshell, their policy would seem to be NATO if necessary but not necessarily NATO. The stand of the New Democratic party has been set forth quite clearly in party resolutions and by the hon. member for Kootenay West in his remarks in the house.

In this regard I think it is quite important that everyone should realize fully what the stand of those who support the new party has been in the past. I do not like going back into ancient history. There is no point in doing that, but if you do not go too far back into the past, say only to the end of world war II, I think such references are in order. I should like to refer to an editorial that appeared in the Montreal *Gazette* on January 24, 1955. It is headed "Canada's Bevanly Host", which is a reference, of course, to other things in the past. The editorial refers to the policy of the then C.C.F. party and reads in part as follows:

> In fact, varying degrees of opposition have appeared within the C.C.F. to nearly every step taken since the end of the second world war to resist communist expansion.
>
> When the Marshall plan was inaugurated, it was officially condemned by the Manitoba convention of the C.C.F. as being "framed to provide capitalists with markets, rather than to help the people of Europe".
>
> When the United States supported the Atlantic pact (out of which NATO has grown) the provincial convention of the C.C.F. in British Columbia passed a resolution opposing "any further expenditures on arms". After the Korean war broke out, the C.C.F. premier of Saskatchewan, Hon. T. C. Douglas, said that the United States was trying to use the United Nations to protect the interests of certain oil corporations, notably Standard Oil. Under such circumstances the people of Saskatchewan were being called on "to send their sons to be slaughtered in foreign fields."

I think it is appropriate to put these things on the record. I believe people are entitled to know just what they are.

Referring to the policy of the New Democratic party, I recall that the hon. member for Kootenay West put this on the record at pages 8077 and 8078 of *Hansard* for September 7, 1961. The appropriate part of the quotation is at page 8078, and reads as follows:

> It therefore opposes Canada's—

This refers to nuclear weapons.

> —troops being supplied with such weapons at home or abroad. At present, except for those nations which have independently developed atomic capacity, neither NATO itself nor its members individually possess or control nuclear warheads. Should they do so, Canada must make it clear that it cannot remain in the alliance.

He went on to say that Canada should press for a demilitarized zone and certain other things. I believe these remarks have been dealt with adequately by the Leader of the Opposition and the hon. member for Essex East. I do not wish to take up the time of the committee with repetitious remarks. However, I should like to say that the government's view on this matter was made clear at the United Nations last year, in remarks made by myself. I should like to put on the record a brief quotation from these remarks, which were made during the debate in the first committee in relation to the Irish resolution concerning the dissemination of nuclear weapons. The quotation is as follows:

> ...if no steps are taken toward disarmament—if, indeed, we do not have even a beginning to serious negotiations on this subject—no country will be content to sit by in the hope that good will alone will prevent the widespread dissemination of the weapons. For our part, I must say quite clearly that Canada would not be able to accept this state of affairs for very long. We have worked and we will continue to work with every resource at our command to achieve an agreement on disarmament which would include provisions to deal with the frightening problem of nuclear weapons. If, however, there is no significant progress in this field in the immediate future, we will reconsider our position on the temporary measures which are proposed in this resolution.

I understand, therefore, that the policy of the new party is that under no circumstances must Canada ever be supplied with nuclear weapons for its troops at home, abroad or for NATO. The government stand on this matter has been made quite clear. At the present time we say no, but if events should take place in the world that might require these weapons then the government would have to give reconsideration to that position. To belong to an organization like NATO, which is a defensive organization against the pressures of the Soviet union, and say we will belong to this organization only so long as certain arms are not acquired by it is like using that old expression: "Mother, may I go

out to swim? Yes, my darling daughter; hang your clothes on a hickory limb, but don't go near the water." To put it another way, the situation would be the same as if one's neighbour were attacking you with a shotgun and the father said, "My son, go out and defend the family back yard, but don't use a shotgun because it might cause some damage to the trees; use a bow and arrow." This is substantially what this policy means.

The Deputy Chairman: Order. I am sorry to interrupt the parliamentary secretary, but his time has expired.

Mr. Nesbitt: I have a very few more remarks to make—

Mr. Martin (Essex East): I think the committee would want the parliamentary secretary to conclude his statement.

The Deputy Chairman: Will the committee give its unanimous consent to allowing the parliamentary secretary to continue?

Some hon. Members: Agreed.

Mr. Nesbitt: I should like to express my thanks to the committee for permission to continue. I will try to make my remarks very brief.

In this regard, I should like to refer very briefly to the remarks of the hon. member for Peterborough. I do not wish to be accused of taking the hon. member's remarks out of context, and I shall most certainly attempt not to do that. However, there are one or two observations made by the hon. member which are pertinent. On page 8090 of *Hansard* for September 7 of this year I find the following statement:

> However, we have no right to expect that West Berlin can be continued as a means of subverting the East German government. If it becomes a matter of helping to oppress people by our foreign policy we are going to be in serious difficulties indeed, as this will mean real war.

Regardless of the interpretation one might put on that particular observation, I think it is safe to say that it would seem clear, in my mind at least, that the hon. member for Peterborough feels the western nations are in some way trying to oppress the poor people of East Germany who, of course, have no means of defending themselves. This may be a wrong interpretation, but I feel it is the one that must be put on these remarks. Later on the same page the hon. member is reported to have said:

> Mr. Khrushchev is not Hitler. He does not have the power.

I do not know about that. Perhaps the hon. member's source of information is different from mine, but it would certainly seem to me that Mr. Khrushchev has a considerable amount of power. Then on page 8091 the hon. member is reported to have said, referring to NATO:

> We agree with that and we agree that it has played a real part.

He used the past tense. Perhaps nothing was meant by putting this in the past tense, but I feel no other interpretation can be put on those remarks but that NATO has been valuable in the past and will not be of much value in the future. A little later on the same page the hon. member is reported as saying:

> On the other hand when we see the resumption of nuclear tests—

He is referring to NATO.

> —we cannot see this as defensive at all—

I find difficulty in following that reasoning in view of the fact that it was the Soviet union, as everyone knows, that resumed the testing. I think everyone would agree that it would be the rankest folly if the United States authorities felt tests of a certain nature, underground ones, should not be carried out if the Soviet union were gaining a military advantage by its renewed tests. These remarks by themselves perhaps are not too important, but I think they do reflect a state of mind which must exist among a number of members of the new party. The hon. member has specifically designated himself as a new party man and not a member of the C.C.F. I believe, therefore, the public is really entitled to further clarification of the actual stand of that party. Certainly the impression one would gather is that, to say the least, there is only lukewarm support for NATO's past performance, and if the chips were down there might not be very much support at all.

Remarks were made by some other hon. members referring to Canada in two ways. One reference was to Canada's role as the linchpin between the Soviet union and the United States. Another was that Canada should be the waiter at the door holding the door open for the two to go back and forth between each other's dining rooms. While I do not for a moment question the sincerity of these suggestions, I think there is a certain misconception. The misconception is that Canada is a neutral country, and I should hope not in the connotation "neutral" has acquired lately. We are a member of NATO. Under the present circumstances I do not really know how anybody could expect the Soviet union, for instance, to accept Canada as a linchpin or neutral country in some sort of negotiation between the United States and the Soviet union. Canada is not a neutral country. I do not think Russia would be prepared to accept us in that role, any more than we would be prepared to accept Rumania in the same

role. This misconception that Canada is neutral is something that I think goes back to past history.

As I understand it, at the time the Leader of the Opposition was making his very famous and excellent contribution to the United Nations, Canada and Norway were among the countries which played a very active part in negotiations at that organization. At that time the membership of the United Nations was relatively small; it was about half the size it is now, and was very heavily dominated by western nations. Countries like Canada and Norway had the reputation of making good, sound, sensible suggestions. At that time the Soviet union was undoubtedly prepared to have Canada make certain suggestions.

However, the picture is quite different now. There are all these new, independent countries in the world, and a great many of them have varying degrees of neutralist views ranging to the extreme. These are the countries to which the Soviet union now looks, I think, rather than to ourselves; because clearly we are a part of NATO and it is very difficult for us to retain this role any longer in view of changed world conditions.

I do not think there is very much point in any of us living in a fool's paradise and thinking we have this position when in fact we probably no longer have it. I am not suggesting that Canada's good offices and Canada's suggestions are not acceptable at the United Nations. They are; very much so. At the United Nations our advice is constantly sought on many things. However, I do not think we still have the public role that perhaps we had a number of years ago, for the reasons I have suggested.

In conclusion, Mr. Chairman, the hon. member for Niagara Falls, when making her speech the other night, made reference to the Scotch song, "I Know Where I'm Going". The hon. member suggested that perhaps we do not know where we are going. I may agree with that to a certain extent. But certainly the Soviet union knows where it is going. Ever since 1919 the ultimate objectives of the Soviet union have been abundantly clear. They are communisation of the world. There has never been any denying that. It is quite true that the paths to attain that objective change as circumstances change from day to day and year to year, but the ultimate objective is the same.

I remember one little conversation I overheard in New York between two delegates, who of course shall be nameless. One delegate was teasing a delegate of the Soviet group countries. He said, "I hear you are having a little trouble with China lately". This was last fall. The other delegate said, "Yes, that is quite true; we are having a little argument with China. But I do not know what you are happy about, because after all the only argument is the best way to liquidate you people". I think frankness such as that is at least something that can be appreciated.

Dictatorships always have the advantage of being on the offensive. Democracies always have to move more slowly. We are on the defensive. The Soviet union has a planned objective and everything is directed toward that objective. They do startling and dynamic things. Certainly the leader of the Soviet union at the present time has all the showmanship abilities of the late P. T. Barnum; there are no two ways about that. Also, the speed with which the Soviet union acts and what it does are impressive and appeal to a great many neutralist countries.

It is no use fooling ourselves about this. The Soviet union, because of its achievements and quick action, gets a certain amount of fear, but it also gets respect and a certain amount of admiration from these neutralist countries. It has always been the same through history when there has been a society that is aggressive and dynamic. That has appealed to some people.

As the hon. member for Burin-Burgeo pointed out a few minutes ago, this is something we have to make clear to this country and to all the western world. It is no use just saying, "The Soviet union is wrong and we are right". These neutralist countries are not buying it. The Prime Minister has repeatedly pointed out on different occasions that the west must get a positive plan to sell to the rest of the world. As yet this has not been taken up. I hope that Canada, under the leadership of the Prime Minister, will continue to press for this and that the west will come up with a dynamic policy that will be bought by these other countries. It is no use just being on the defensive all the time, because if we are, I am afraid the ultimate results are clear.

Let me again refer to the question of Berlin. One hon. member said, "It is no use going to war over Berlin". That is quite true; it is not, over Berlin. I remember, as I am sure other hon. members of the house remember, the years 1936, 1937 and 1938. We saw Hitler coming along. First it was the Rhineland, then Austria, Czechoslovakia and Poland. It was not over Poland as such that Britain and France went to war with Germany. It was because the line which could not be crossed had to be drawn. I remember at that time we said "We have learned our lesson this time. We will never let it happen again." Ever since world war II we have seen nothing but this same attitude,

the peculiar idea that we can appease dictatorships. Instead of appeasement, however, all we do is whet their appetites.

We have seen this all through history since the dark ages. It happened in Great Britain when the Danes were attacking the coast of Britain. It was thought that the Danes could be bought off with gold. Well, the Danes took the gold and came back the next year for more. We are facing the same kind of situation now. In the experience I have had dealing with representatives of the Soviet union I have found they are tough and very practical people who will try anything if they think it will succeed. I thoroughly agree with the view expressed by the Prime Minister and the Secretary of State for External Affairs, that in the present situation we must be tough, but calm and resolute, and we must not panic. This is something the Soviet union understands and respects. If we keep our powder dry and remain firm in our stand I think negotiations can succeed and will succeed.

Mr. Regier: Mr. Chairman, I had not intended to participate in this debate at the present time. However, the remarks which have just ended have made me rise. In the first place I wish to express my personal good wishes to our Secretary of State of External Affairs. I believe all Canada realizes the heavy burdens that are resting upon him. When he leads our delegation at the United Nations next week and for the weeks thereafter I believe all Canadians will wish him every success in his endeavours. I hope the men and women associated with him on behalf of our nation will exert their greatest efforts to reflect the attitude and policies that our minister has put forward on so many occasions in the past.

I very much regret that I noticed a considerable divergence of view between the speech just concluded by the parliamentary secretary and the attitude and views that have hitherto been expressed by the minister himself. I hope this is going to be looked into. I know the minister has appointed a new man to replace the hon. member as the deputy leader at the United Nations. I hope the man now appointed to be the deputy leader of the Canadian delegation will very honestly, sincerely and fairly represent the attitude of the minister in the dealings he will necessarily have from day to day with the representatives of other nations.

I believe in essence the hon. member for Oxford attempted to paint the world situation as a contest between capitalism and communism. I am glad this is not the basic conflict in the world of today, even though people in Moscow and in Washington would like to make it such. The vast majority of the world's population of today believe not only in political democracy, but also in economic and social democracy. These people outnumber the people in the communist bloc and in the bloc that is dominated by the United States of America. I predict that eventually these people who are interested in economic and social democracy in addition to political democracy are going to win the day. I hope they can win the day without the holocaust of nuclear war that either the communist or the capitalist world may attempt to launch in the world.

I think the hon. member for Oxford ought to do a bit of homework. He spoke at length on the external affairs policy of the new party. I assume he meant the New Democratic party. As his source of information he used an interpretation placed on our external affairs policy by the Montreal *Gazette*. May I inform him that the New Democratic party does not own the Montreal *Gazette*. It is more likely than not that the hon. member's own Tory party owns the Montreal *Gazette*. May I say that this is a very poor source of information as to what our foreign policy is.

The hon. member attempted to brand us as neutralists. We are not neutralists by any stretch of the imagination. In the world of today democracy could not survive without the ardent support the social democrats the world over are giving to the cause of political democracy. However, because we wish to extend political democracy, the capitalists of the world love to smear us and brand us as neutralists, pro-communists and all the other names they can invent.

The hon. member spoke of our policy on NATO. I will admit that our movement has reservations about NATO. If NATO is going to be nothing more than a mere tool in the hands of the Pentagon; if NATO is going to desert those in western Europe who believe in democracy then the earlier we get out of NATO, the better. Many of the delegates at the United Nations have repeatedly expressed to me their disappointment at what is happening to the NATO organization. The people who believe in democracy in Norway, Sweden, Denmark, Germany and France have severe reservations as to the course that is being pursued by NATO. Canada could help its allies in western Europe if, to use the term used by the hon. member, the Canadian government had the guts to stand for what the Canadian people believe in instead of echoing, time after time, the intentions and the aspirations of those who rule the roost in the Pentagon.

NATO has played a most useful role in our history. However, may I remind the government that acts of aggression have been committed within the past five or six years by

member nations of the western world in greater number than those that have been committed by members of the communist bloc. I am unwilling to forgive the communist bloc for those acts of aggression. I know they have occurred, and they are unforgivable. But those that the capitalist world have committed are equally unforgivable. Today across the line in their magazines it is openly admitted that the United States government intervened in the affairs of the Cuban people. At the time the event occurred we were expected to believe that our ally and, as I still say, our good neighbour to the south had nothing to do with the attempt to overthrow the government in that other nation. However, today their magazines gloat over their effort, and are beginning to analyse the reasons for their failure.

We will continue to support NATO if NATO is going to abide by its original intent, namely to act as a brake against potential communist expansion in western Europe, as was originally intended, and not as an instrument to launch a nuclear war. If it is going to act as a brake against potential communist expansion in western Europe, and if it is going to help to establish a little more economic unity in the western world, we will continue to support it. But let us make no mistake about the matter. The moment that NATO begins to adopt nuclear weapons—

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

Mr. Regier: —our movement and, I am sure, the Canadian people with us will oppose NATO. NATO was never intended to be an organization that might be responsible for blowing the whole world to bits. We say that no Canadian should be equipped with nuclear weapons either here or abroad. We say that nuclear weapons should never be permitted either on or above Canadian territory.

I should like to ask the government this question. How much truth is there in the newspaper reports I read yesterday to the effect that United States planes loaded with nuclear weapons are flying regular operations above Canadian territory? We at one time had an assurance from this government that for each and every such single flight a specific permit was required and was granted by the government of Canada. Does that situation hold good today? The Canadian people would like to have an answer. We had only a few days ago a report or a listing of the number of occasions on which nuclear weapons were accidentally almost exploded.

Mr. Jones: There was no accident about the explosion of nuclear weapons in Russia in the last few days.

[Mr. Regier.]

Mr. Regier: We recognize the fact that the Russians have them, that the Americans have them and that the French have them. However, what we say is this. Let not any more of us have them. We have enough of them in existence in the world. What possible useful contribution could Canada make by adding to the existing amount of nuclear weapons the world has today? Already there are in the hands of the great nations of the world from 10 to 20 tons of t.n.t. for every man, woman and child in the world. Hence what useful contribution can we make, except an attempt to be big shots on the world scene? The Canadian people do not appreciate this sense of haste. As the Prime Minister has said, this is a time for brakemanship. These sabre rattling speeches in this House of Commons serve no useful purpose whatsoever. Washington and Moscow do not even listen to them, because they do not have to listen.

We ought to take a different attitude and approach. We ought to express our regrets and make it clear that we will defend the political democracy, which was won for us by our forefathers at such heavy cost, with our lives if necessary. However, to go beyond that position with appeals to military power on our part; appeals to individuals who believe they can survive a nuclear war; appeals to armament manufacturers, and appeals to a limited number of Canadian people, makes no useful contribution to the cause of world peace.

In respect to Berlin—and I am pleased that the hon. member for Burin-Burgeo identified his attitude in this regard as being his own and not the official attitude of the Liberal party—that hon. member suggested we must work toward the reunification of Berlin. I believe I know something about the philosophy of the German race, and I will make this prediction. With a reunified Germany today we will have a Germany tomorrow seeking not only revenge but the re-establishment of the old glory of the German reich, as it was once known, and the world will once again be thrown into a war.

I certainly agree that the people of Germany ought to be reunited if this can be done by peaceful means. However, I suggest the situation in Berlin is not now a threat to world peace of the magnitude painted by the United States press. No leading statesman has yet claimed an intention of bringing West Berlin under communist domination. No leading statesman has claimed that access by the West Berliners to East Berlin and East Berliners to West Berlin ought to be blocked. On the contrary, there has been an offer to guarantee access.

I suggest we should supply the initiative in this regard. We should state that past history has shown us we have reason to doubt the word of communism, and that pledges have not always been kept. We should state that we are unable to afford the further risk of a broken promise regarding the availability of access, and it must therefore be made to the United Nations, allowing that organization to ensure continued liberty in West Berlin so that in the event the communist state breaks its word it will then have offended not only the west but this world organization, with the result that the whole world will know the reliability of promises made by a communist regime.

The real issue in Berlin is the reunification of Germany, and the Canadian people state that the reunification of Germany is not worth fighting a world war for, with all its consequences. The people of Canada are unwilling to go to war for the attainment of a reunified Germany. They are willing to go to war if necessary to defend political democracy, but that is not the issue involved. The issue involves a close alliance between Washington and Bonn, and the Canadian people realize this in their hearts. That is the basic issue, and Canadian people ought to be informed of it.

If the west desires to make a useful contribution to world peace let it be stated to Russia that it will pull out of West Germany if Russia will do likewise in respect to East Germany, allowing the German people to settle their own problems. The borders could be guarded by the United Nations. Let it be further stated that such a reunified Germany should be forever without armaments. This was done in respect to Austria, and I suggest it can be done in the case of Germany.

I suggest the western world made the worst possible mistake when it agreed to rearm West Germany. When that was done it caused the postponement for possibly many years of any possibility of the reunification of Eastern and Western Germany, because in all logic the communists cannot be expected to withdraw their forces from East Germany as long as the forces of the west are stationed in West Germany and, even worse, as long as West Germany is growing in military might with an increasing attitude of aggressiveness as far as international forces are concerned.

I suggest our position is very clear. We are prepared to defend political democracy, but are not and never have been prepared to defend the interests of the international cartels; the oil monopolies, the chemical monopolies and those other monopolies with head offices in the United States of America. We believe with the peoples of Israel, the Scandinavian countries and social democratic forces of the world over, that we can only build world peace if war is avoided, because if war comes no one will build anything.

I was very much heartened by the words of a spokesman of the Conservative party, the hon. member for Edmonton-Strathcona who is reported at page 8136 of *Hansard* of September 8, 1961 as follows:

> Therefore peaceful coexistence is the only existence there is. It is not an alternate form of action; it is the only possibility.

Hon. members in this group say hear, hear to that statement. It will not be the world of the west or of the east, but a new world in the event of a nuclear war, and that hon. member's statement epitomizes the basic policy of our hope.

At one o'clock the committee took recess.

AFTER RECESS

The committee resumed at 2.30 p.m.

Mr. Diefenbaker: Mr. Chairman, the events of the last few weeks have added a seriousness to the manner in which debates are conducted in this house. This was apparent in the contribution made by all hon. members who have voiced their views as to the ways to peace. In particular I want to refer to the Leader of the Opposition, who along with the hon. member from Essex East placed before the committee his views on this very important matter in a way that was in keeping with the responsibilities that rest on all of us, including the government of the day.

I am going to resist the invitation given by the last hon. gentleman to enter at this time into controversial things, since there will be an opportunity later on to deal with some of the matters to which he referred and also some of the references by other hon. gentlemen of the New Democratic party, who as a result of the changes that took place at a recent convention find themselves in a position difficult to explain; for the policies of March, April and May on NATO, as enunciated by the responsible leader of the former C.C.F. party, have gone through a metamorphosis that makes it somewhat difficult for those hon. gentlemen to square their consciences of May, June and July with the practical results of the changes that took place during that historic meeting. All I can say is that had we followed the advice given by the leader of the C.C.F. in those months in regard to NATO, in the light of the changes that have taken place I can see now how wrong we would have been. However, it is not of

that that I intend to speak today. I am going to discuss in general something of the situation that faces us and something of the problems that we as members of parliament must meet.

I repeat what I said a moment ago. The thanks of the committee are due to all hon. members for the way in which they dealt with this very important question not only of West Berlin but of the world situation generally and the several things referred to by the Secretary of State for External Affairs in outlining matters for the consideration of the committee. I am not going into the field of defence today, or of measures that are being taken for national survival. These will be dealt with when the departmental estimates in which these matters are dealt with come before the committee. I want to say further in that connection that I appreciate the co-operation of the opposition and the attitude taken by all members of the opposition in permitting the motion for supply to go through this morning without debate in order to ensure that there would be no delay in the discussion of those questions of national and international importance that face us today.

I thank the Leader of the Opposition for the contribution he made in answering some myths that have achieved widespread circulation during recent weeks. One of them is that Berlin is a crisis that propaganda built, a view expressed by one or more journalists or pundits in various parts of Canada. The other is that Canadians are the victims of propaganda to make them believe there is a crisis over Berlin. The Leader of the Opposition dealt effectively with those who hold that view. In his attitude and in that of the hon. member for Essex East they gave an indication of the seriousness with which they view the international situation, and the need of each and every one of us to make the best contribution possible without regard to political considerations.

The Leader of the Opposition made some reference to a speech I made recently before the Canadian Bar Association, and gave general approval thereto. I can only say that this is one time I most heartily reciprocate the words he used, when he stated that he thought I struck the right note. In order to keep in harmony with that attitude, I say of him as he said of me that in his speech in the house the other day I thought he struck the right note.

While differences are bound to occur between government and opposition, differences which are a vital necessity of democratic government, there does come a time when issues transcend political considerations, and this is one of those times. All of us have as our purpose and our aim the maintenance and the preservation of peace. Those of us who have responsibilities would like to do that which we are often asked to do, go into detail in regard to matters, when if we did that the result would be to deny that freedom of consultation which is of the essence of the relationship that must prevail among the free nations.

My opinion, and I think the attitude of the house, has been that this is an hour which demands moral strength and courage. Panic is the refuge of weakness. Confidence can be a weapon of peace. Communism breeds on fear and weakness. When I hear criticism of the North Atlantic Treaty Organization I sometimes wonder whether those who criticize realize that if it had not been for the defensive strength of NATO we might very well not be here today. That is how important NATO has been as a defensive organization, and how necessary it is today.

The ideals of democracy and peace in my opinion can best be served at this hour by showing the Kremlin that we will not sit back and allow the world in which we believe to be swept aside by the acceptance of those things that deny every principle of freedom for which we stand. We must at the same time speak words of measured carefulness so that nothing will be said which will add to the fires which today are burning.

Mr. Chairman, in the past two days the house has maintained that principle, that each and all of us have to speak and must speak our views. That is the essence of democracy. Some of us will have to go back on some of the views that we have expressed in the past. That is of the essence of democracy too. Though I do not often do so, I speak now of a colleague, the Secretary of State for External Affairs, and of the contribution he has made since assuming that office, a contribution outstanding and worthy of the sacrifice made by those of his generation who served with him in the first war. He believed in the United Nations, and in the United Nations and outside he built a structure of peace with disarmament. He carried the fight in the United Nations and at Geneva. That is why his speech the other day to me carried the conviction that comes from one who is speaking with the experience that he has had.

I see that some say he retreated. There is no retreat when one acknowledges that the idealism that he has expressed has not been accepted, and has been interpreted by the Kremlin and those associated with the Kremlin as a sign of weakness rather than of greatness. Some say he is too idealistic. Idealism has its place, Mr. Chairman, and if the free world sacrifices its idealism to godless materialism there will be little to

choose between communism and democracy in 50 years, whatever the result may be of the world contest. With all his heart, with all his devotion to the principle of disarmament, and with all his hopefulness that the clouds on the international horizon would be dissipated, in the light of recognition of the terrible danger of a nuclear war he told the house that we in the free world were on the threshold of potential world disaster.

That causes us to re-examine some of the principles of Canada's foreign policy which, in the light of the discussions that have taken place during this debate, indicate an area of agreement between the government and the opposition, with the opposition having at all times not only the right but the duty to point out, while agreeing with the objectives, what changes should be made that would be beneficial.

Canada's foreign policy can be summed up in three short paragraphs: First, continuing support for a strong and effective United Nations without which peace cannot be achieved, while recognizing that changes in the charter such as were indicated by the hon. member for Oxford ought to be made in the light of the experience since 1945. Second, the need of a strong and effective North Atlantic Treaty Organization, with which I will deal later. Finally, and I speak now for the government in this regard, we believe in the extension and development of a strong commonwealth of nations, believing that no other association throughout the world has a greater influence for good. Indeed, the adherence by its members to its principles, though unwritten, denies the acceptance of communism.

The position we are in today, and when I say this I speak of the attitude of some Canadians and others, is brought about as a result of the process of confusion and propaganda which is of the essence of communist philosophy. The communists deceive people into believing that the existing crisis was created by other nations.

There is no disagreement between the government and the opposition, Mr. Chairman, that the crisis was created by Khrushchev for his own purposes, just as he has created crises throughout the years. If it is not Korea it is Vie Nam. If it is not Vie Nam it is Berlin, and so on. There is no crisis of our making in East Berlin. We have not stirred up any crisis. Some say to me: "How can Canada consider doing anything else but bending the knee to Khrushchev over a paltry city of 2.5 million?" I quite understand the sentimental and emotional plea behind that. The sacrifice of 100,000 Canadians cannot but bring that emotional reaction if the broader situation is not examined.

This is a larger question than West Berlin, a greater problem than its people. There is the pledged word of the western nations that the people of West Berlin will not be sacrificed, their freedom will not be destroyed; that the rights of access into West Berlin shall not be discontinued. Berlin has become the tangible symbol of a global difference between communism and the forces of freedom. The U.S.S.R. would endeavour to restrict the problem to a divided Berlin. Berlin is more than an isolated outpost. Khrushchev knows that he has already sealed off ingress and egress to West Berlin from East Berlin. He has done that because he realized that the outcome in connection with Berlin will determine, in a considerable measure, the future of freedom everywhere in the world.

When one walks in the streets of West Berlin it is difficult to realize that to thinking people everywhere in the world this small island, as it were, surrounded by communism, represents to the free world, as it represents to the communist world, the axis of the struggle as between communism and freedom. It is not a question of the reunification of Germany, as was mentioned here this morning. We are not dealing with that question. We are dealing with the pledged word of the free world. If we ever get the reputation amongst the uncommitted nations of the world that are standing with us that our word, under seal, means no more than a passing fancy, then indeed will Khrushchev have won the greatest victory communism has ever achieved.

One has to follow the course he has taken since the adjournment of the house, and it has been an interesting course. From time to time he has spoken the soft, sweet words of peace. These were followed by threats as to what would happen. One moment he is the smiling Khrushchev; the next moment he is engaged in his terror campaign. It is difficult to understand why he chose a time just before the Belgrade conference opened to announce the resumption of his nuclear testing program. Perhaps his purpose was to make the neutrals fearful that if they were critical of the U.S.S.R. they would be in danger. Why did he take that course? Well, he must have been preparing for some time because we were told today, I believe, that the fifth and sixth atomic explosions had occurred. Is he about to announce the production of an anti-missile missile following a short period of testing?

It is interesting to note that some of those who speak the loudest regarding the stand of Canada and the free world have been so silent in their condemnation of Khrushchev and the stand he has taken followed by his action regarding nuclear testing. He has

placed the lives of people everywhere in the world in jeopardy. He has done so cynically. He said his purpose was, in effect, to let the people of the world realize their position and their danger. I find it difficult to understand, as did the Secretary of State for External Affairs, why the Belgrade conference did not make some outstanding declarations on this subject. I find it difficult to understand how they reacted so tepidly to Khrushchev's gross contempt of human safety.

The United States is now proceeding with testing. I have my own views in this regard. I can only say one thing. I hope that no action will be taken by any government belonging to the NATO organization without consultation in advance of that action. I realize that, as the Secretary of State for External Affairs has pointed out, they could take no other course. It is not for me to say that one would have hoped that having delayed for three years during the moratorium, a delay of the same number of weeks might have been helpful in the mobilization of world opinion.

What is Khrushchev's attitude? I am often told that if we could only try and be reasonable, how different things would be. Was there anything unreasonable in the request made by the Prime Minister of the United Kingdom and the President of the United States that there be no testing in the atmosphere? Testing in the atmosphere, the cause of the deleterious nature of fall-out, should have been the last thing undertaken. There could have been tests underground. Mr. Khrushchev declared on Saturday that nuclear testing could be ended only by western acceptance of Soviet proposals for a German peace treaty and complete disarmament. What association is there between nuclear testing and a German peace treaty?

For the last year and a half the Secretary of State for External Affairs has been doing everything possible, as I said a moment ago, to bring about international agreement on disarmament. The Leader of the Opposition pointed out there were 300 or so meetings held in Geneva. There was hope. I remember the last time I talked to Prime Minister Macmillan. He said, "I think we are going to secure a continuing moratorium and indeed an agreement on testing." If we had been able to achieve that, we would have gone a long way, because we would have established that in this narrow field, inspection and control would operate in an experimental stage as a preparation for the larger field of disarmament whenever disarmament comes.

Mr. Khrushchev called on the United States and Great Britain to meet in settling the main problems of our times, general and complete disarmament. He said, "Let us seek seriously, in good faith, a solution of the question of concluding a German peace treaty so as to arrest in good time the sliding of states into the inferno of a rocket nuclear war". In other words, "I believe in negotiation", says Mr. Khrushchev. He says, "I will keep what I have and then I will take what you have or part of it". That is not the principle of negotiation.

What has his attitude been since last July, when the house last met? He has been moving to higher and more aggressive peaks of threat and intimidation week by week. It is very interesting to read the communist manifesto. I am not going into details with regard thereto, but I suggest to hon. members that they read the text of the Soviet party's draft program for the next 20 years. Hitler took 1,000 pages in "Mein Kampf". Khrushchev takes less than 50 pages, and he places before the world the blueprint of the architect, in which be builds a house for all mankind, with the U.S.S.R. having the only key to the premises.

It is well to read what he says. It reveals the cold ruthlessness that is apparent in the breaking of his nation's word by the resumption of tests. Today one hon. member said this is not a contest between capitalism and socialism. I immediately rise to say that in so far as communism is concerned it would bring about all its changes by revolution, infiltration and the destruction of the will to resist. This is what the Soviet party's draft program says:

> The great October socialist revolution ushered in a new era in the history of mankind, the era of the downfall of capitalism and the establishment of communism. Socialism has triumphed in the Soviet union and has achieved decisive victories in the people's democracies; socialism has become a cause of practical significance to hundreds of millions of people, and the bearer of the revolutionary movement of the working class throughout the world.

Then it goes on to say:

> The socialist revolution in European and Asian countries has resulted in the establishment of the world socialist system. A powerful wave of national liberation revolutions is sweeping away the colonial system of imperialism.

One does not have to sort out these passages:

> The victorious workers and peasants lacked knowledge of state administration and the experience necessary for the construction of a new society. The difficulties of socialist construction were greatly increased by the fact that for almost 30 years the U.S.S.R. was the world's only socialist state, and was subjected to incisive attacks by the hostile capitalist environment.

Then it says again:

> Socialism has done away forever with the supremacy of private ownership of the means of production, that source of the division of society into antagonistic classes. Socialist ownership of the means of production has become the solid

economic foundation of society. Unlimited opportunities have been afforded for the development of the productive forces.

Then it also says:

Under the leadership of Lenin it worked out a plan for the radical transformation of the country, for the construction of socialism. On the basis of a thorough scientific analysis, Lenin elaborated the policy of the proletarian state for the entire period of transition from capitalism to socialism. He evolved the new economic policy (N.E.P.), designed to bring about the victory of socialism.

And so Khrushchev goes on. He says that within this generation the Kremlin will have succeeded everywhere in the world in bringing about the changes that are set out in that manifesto. He also indicates that coexistence means the acceptance by the free world of the will of the communist world.

I think all of us are agreed as to the seriousness of the events of recent days. What should be done? There have been a number of suggestions made, all of them helpful. I am not going into a detailed analysis in any way of the matters that were referred to by the hon. members who spoke, and in particular those questions that were propounded by the Leader of the Opposition and the hon. member for Essex East. I am, however, going to say something regarding the possibility of the United Nations having a larger place in an endeavour to bring about a settlement of this problem.

There are some things the United Nations can do; there are others it cannot do. The United Nations is limited by the fact that Berlin is part of the peace settlement with Germany and is therefore, under the charter, reserved for consideration by the victorious powers. However, if the four powers decide they would like the United Nations to play a part, then there are roles the United Nations can play. There is the question of safeguarding the maintenance of peace; and where the peace is threatened, if the mapority of the United Nations decide that this is being done by the U.S.S.R. or by any other nation, the matter could be brought before the United Nations. Mr. Khrushchev said in his interview with Mr. Sulzberger of the New York *Times* that he is not averse to United Nations discussions if the big four agree.

Various suggestions have been made. One is that the whole of the city of Berlin could be placed under the trusteeship of the United Nations, with access guaranteed by a U.N. force. There have been suggestions that the United Nations should be moved from New York to Berlin. Speaking for myself, I may say that suggestion has no appeal. The suggestion has been made by Senator Mansfield to which reference was made by the Leader of the Opposition. Other suggestions have also been made.

I think the time has come when consideration might be given—and the United Nations might give consideration thereto—to the internationalizing of the city of Berlin under the United Nations, with its status to continue under United Nations presence. I realize that this suggestion would not receive the support of Mr. Khrushchev. However, it at least would bring about a step forward in the assurance that if negotiation failed, the United Nations would have something to which it could give its attention. It would require uncontrolled access by the west. It would also require a willingness on the part of the four powers to agree.

Someone has said that matters like this should not be discussed in advance of election campaigns in other parts of the world. I believe this is a serious enough matter that it should be discussed, if only for the purpose of directing the attention of mankind to a possible solution before it becomes too late to do so. As I said in Winnipeg and now repeat, Canada being one of the smaller nations, a member of NATO and of NORAD, with its record of sacrifice it has a right and a responsibility to place its views before mankind. After all, if the decision is left to four nations, without any suggestions having come from the smaller nations, the moral responsibility will rest on the governments of the smaller nations for having failed to advance their views.

There is one thing I wish to point out. I read that one of the pundits said that in the course of my Winnipeg speech I had not revealed the points which would be subject to negotiation. I can only say that I have never known any success to be attained by revealing in advance of negotiations the stand you are going to take. However, that does not mean that the stand should not have been determined upon. That does not imply either that the government of Canada, in its desire for peace, has not made a number of important suggestions which, in the perspective of the future, can be revealed.

The possibility of developing a role for the United Nations as a means of achieving a solution to the Berlin problem must necessarily be carefully examined. In the past the United Nations has made notable contributions to the peaceful settlement of disputes.

In point of fact the potentialities of the United Nations in this connection have not been ignored. This suggestion on my part regarding the United Nations is not new. I would point out that on March 19, 1959, in answer to a question by the Leader of the Opposition in which he inquired of me whether I would give a report about the conversations that had just been completed with

the Prime Minister and the foreign secretary of the United Kingdom, as found at page 2049 of *Hansard* of that year I stated as follows:

Our talks were largely in the nature of an exchange of information and a review of the German and Berlin problems and of the various proposals for a settlement of those problems now under study in western capitals and in NATO. I should emphasize that neither Mr. Macmillan nor I attempted to crystallize any British or Canadian position on specific questions under discussion. However, I might add that it is my belief that the United Nations might play some significant role in the solution of the Berlin problem, and that this phase deserves further and more careful study. I think it would be generally agreed that it was clear there was no essential difference in the British and Canadian assessments of the world situation or in the basic aims and policies of our two countries with regard to the complex questions of Germany, Berlin and European security.

I do not think I can add anything more to what I have said. I know the Leader of the Opposition, with his great experience in these matters, will realize that I can go no further than the outline I have just given the house.

At that time the Leader of the Opposition said this:

It is particularly gratifying to hear the Prime Minister say that there may be a way in which the United Nations can, in due course, play a part in this Berlin situation in a manner which would be helpful to peace and security.

Then, speaking in the house on April 7, 1959, as found at page 2294 of *Hansard* of that year, these words:

By way of contributing to this process of clarification Canada offered a few suggestions concerning the problem of Berlin.

That reference is to clarification of the joint NATO viewpoint arising from the NATO ministerial meeting which was then taking place in Washington and at which the then minister of national defence, Hon. George Pearkes, V.C., represented Canada. I continued:

In the Canadian view no agreement can be acceptable to the west which places in jeopardy the security of West Berlin or the freedom of its citizens.

That view was expressed two and a half years ago. I continued:

It is also the Canadian view that the NATO countries could not accept a solution which might endanger the ties between the Federal Republic of Germany and the other countries of western Europe.

Since then from time to time representations have been made. Indeed, I might return to the words of General Pearkes when, reporting on the conference on April 8, 1959, he said this as reported at page 2344 of *Hansard* of that year:

It is unnecessary for me to elaborate on what the Prime Minister has said, though I would call attention to the statement he made about the suggestion which was advanced by the Canadian delegation that in some manner the United Nations might be able to assist in the solution of the Berlin problem.

[Mr. Diefenbaker.]

Later he stated:

Further study has been given to the possibility of the United Nations playing some part, and suggestions were made at the meeting as to how the United Nations might contribute something to the solution of the problem. I pointed out that we in Canada were anxious that consideration be given to ways by which the present arrangements over Berlin could be strengthened, either by supplementary or substitute arrangements. I pointed out that the Prime Minister had made his statement as of March 19, and then I went on to say that I would doubt if the United Nations could play a useful part unless a four power agreement had first been reached. I suggested that a settlement involving the United Nations need not be weaker, and conceivably might be more stable, than the present position in which the powers are now in Berlin by right of conquest. Although the effective introduction of the United Nations into the Berlin situation could probably be accomplished only through the agreement of the four powers, it could serve to engage the interest of other governments in the freedom and independence of Berlin in a way which no agreement reached solely among the occupying powers could do. Accordingly I suggested it would be worth while for the permanent council to study the possibilities of a role for the United Nations in the application of a solution to the Berlin problem, and an assurance was given that a full study would be made by the permanent council of the suggestions which were put forward.

I would also point out that there was an occasion when the United Nations did endeavour to be of some assistance in connection with Berlin, but it was not very successful. That had to do with the committee of the United Nations which was set up some 10 years ago.

On September 1, I stated: "The charter of the United Nations declares the primary purpose of the United Nations to be the maintenance of international peace and security. It must be ready to make use of the United Nations". As recognized by the hon. gentlemen speaking for the opposition, there are a number of complicating factors, not the least of which is the question of the timing of any United Nations involvement.

The United Nations could, to begin with, exercise the function of promoter of an agreement on the Berlin problem by providing a focus for world opinion, which could have the effect of impelling the powers directly concerned to settle their differences by negotiation. Second, the United Nations could, if the powers concerned could be persuaded to agree, act in various roles as observer to verify that any new agreement reached was being fully implemented in accordance with its provision. Third, the United Nations could be assigned the more difficult task of operating an international regime in Berlin.

The problem is one of selecting the role which is most likely to contribute to the settlement of the Berlin problem in particular circumstances. This means essentially that the role of the United Nations must be

related to developments in negotiations toward a settlement. The four powers have primary responsibility in Berlin, and must first enter into direct negotiations. There are some indications at the moment that there is a reasonable prospect of there being negotiations. When I speak of a reasonable prospect, I am not speaking in anticipation of possible success, in view of Mr. Khrushchev's intrinsic position. If direct negotiations succeed might there be a possibility of providing a role for the United Nations, perhaps as guarantor of the agreement reached.

It is important to remember that the effective introduction of the United Nations into Berlin could only be done by agreement of all the four powers. I need not say that this may not be easily achieved. Whatever the difficulty might be, I think the little powers and other nations to be affected by the outcome of the Berlin problem have a right to an opportunity to be heard and to place their views clearly before a forum of most of the nations on earth. Furthermore, I can think of the possibility of the United Nations role being that of an observer in the city, or a supervisor on the access routes. Consideration of this possibility might facilitate negotiations and, if the idea were implemented, it might provide a stabilizing element in what is bound to remain a sensitive area throughout the years.

Those in general are some of the suggestions that I place before the house in regard to this question. The particulars of others are so sensitive in detail, if I may use that word again, they cannot be brought before the house, much as I would like to do so.

I now come to something else. What should the United Nations do in the world today? I listened to the hon. member for Oxford. He spoke with the authority of four years of representation of Canada, and effective representation. I have heard it said that no member of any of the delegations had a wider acquaintanceship and friendship than he. He gave us something of a picture of the United Nations.

Over and over again we listen to Khrushchev babbling about imperialism and colonialism, picturing himself, the leader of communism, as the exponent of freedom for peoples who are under domination. The Belgrade conference made a number of recommendations and suggestions, among which are the following:

> Imperialism is weakening. Colonial empires and other forms of foreign oppression of peoples in Asia, Africa and Latin America are gradually disappearing from the stage of history... In the same way, the peoples of Latin America are continuing to make an increasingly effective contribution to the improvement of international relations.

This article then continues as follows:

> All this accelerates the end of the epoch of foreign oppression of peoples, but also makes peaceful co-operation among peoples, based on the principles of independence and equal rights, an essential condition for their freedom and progress.

Further on in this article appears the following statement:

> The participants in the conference solemnly reaffirm their support to the "declaration of the granting of independence to colonial countries and peoples," adopted at the fifteenth session of the general assembly of the United Nations, and recommend the immediate unconditional, total and final abolition of colonialism and imperialist domination in all its forms and manifestations.

A little later on they again reiterate this. I am surprised they do not include eastern Europe.

I recognize that there are many who would say that is something which should not be dealt with. Mr. Khrushchev unilaterally wants to set aside agreements entered into with regard to Berlin which were part of a general settlement between the victorious and the vanquished. I should like to see the United Nations given an opportunity of declaring its opposition to the type of imperialism which he has placed upon one hundred million people not only in eastern Europe but in other parts of the world.

When the Belgrade nations declared their belief in the right of peoples to self-determination and independence, and the free determination of the forms and methods of their economic, social and cultural development, I should like very much to have seen that declaration include the U.S.S.R. Why it was not included I have no idea. But there is a field in which I think we in the free world, in the United Nations, could place in proper perspective the arguments advanced by Khrushchev in this regard. Indeed I regard a stand such as this as one that would do much good, although I know there are others who say we must leave that alone. Why should the free world always be on the defensive? Unfortunately, because of our desire for peace, many of the things which ought to have been said have not been said. While we debate that stand in the interests of the maintenance of peace, Khrushchev continues to push forward inch by inch and mile by mile all over the world.

I am going to conclude by saying something about NATO. I think that by his threats and recriminations in the last few months Mr. Khrushchev has done much to bring about greater unity in NATO than ever before. I pointed out earlier, as did the Leader of the Opposition, that the countries in NATO are equals and that there is need of full and complete consultation. I repeat what I said earlier. I hope that never again will one of

the member nations of NATO act without consultation with the other members of NATO.

The Leader of the Opposition was one of the committee of three in 1956. At that time responsibility was given to that committee to consider ways and means of putting principles about consultation into practice. That report which still serves as a useful reference document on the problem of consultation recognized the difficulties when it stated in paragraph 17:

> North Atlantic political and economic co-operation, however, let alone unity, will not be brought about in a day or by a declaration, but by creating over the years and through a whole series of national acts and policies, the habits and traditions and precedents for such co-operation and unity. The process will be a slow and gradual one at best; slower than we might wish. We can be satisfied if it is steady and sure.

Then, in paragraph 40 we find the following:

> One of those limitations is the hard fact that ultimate responsibility for decision and action still rests on national governments.

The Canadian government has consistently recognized the importance of consultation and the process of co-ordination in the alliance in the interests of greater unity. It has consistently urged that the alliance should adapt its machinery to changed circumstances and I have expressed the view that this can be accomplished within the existing framework of NATO. We believe that NATO's unity and strength derive from and will continue to derive in a large measure from a principle of equality of membership. Consequently we have opposed the formation of political blocs or directorates within the alliance which can only have the effect of weakening its unity and purpose by establishing some members in a preferred or dominant position in relation to the others.

When I was in Europe in November, 1958, I was able to make Canada's views clear to members of NATO at that time. It was almost simultaneous with the suggestion that a triumvirate should be set up. I said we would not accept it.

We have also urged that in its review of long term planning NATO should review the principles of consultation with a view to better co-ordination of allied policies. Recognition was given to these principles at the last meeting of NATO foreign ministers in Oslo, attended by the Secretary of State for External Affairs, for the first time when agreement was reached on the main objectives which are to guide consultations and co-ordination of policies in NATO. The most important of these principles is "to achieve a common policy on subjects of direct concern to the alliance as a whole." Progress is being made. In these critical days the NATO council is meeting regularly through its permanent representatives to fulfil its responsibilities but there is still room for improvement. I think I will say no more on that.

I think I ought to point out that while the committee of which the Leader of the Opposition was a member made certain recommendations and some changes have taken place, as yet we have not arrived at that point where consultation is as complete as I would like to see it.

With regard to the other questions that have arisen, they will be answered in detail by the Secretary of State for External Affairs. As Prime Minister, I have always followed the course of not interfering with the ministers in the discharge of their responsibilities except that in regard to foreign policy I have followed the tradition of the United Kingdom, that the Prime Minister must take a particular interest in that field of national activity on which the safety of the state so largely depends.

If we could only plan internationally to meet all of the changes of attitude and the circuitous courses followed by Mr. Khrushchev, things would be much simpler. The Leader of the Opposition asked whether there was any planning, any consultation regarding the sealing off, or any anticipation of the sealing off of ingress and egress between East Berlin and West Berlin. I frankly tell you I do not think that was anticipated. However—and I am answering him in this regard—there is planning and consultation to cover potential emergencies as they may arise with respect to western rights and responsibilities in Berlin. I cannot, of course, disclose what action NATO governments propose to take if the Soviet government or the East Germans attempt to block off access to Berlin. It would, however, be a mistake to imply that on this vital matter western interests are dependent on improvisation at the time of or after the time of the event. The occupying powers, specifically the United States, the United Kingdom and France, have special responsibilities to ensure maintenance of access for their troops stationed in Berlin, and for their supplies. Under the North Atlantic treaty and subsequent declarations of the NATO council all members have certain responsibilities in respect of Berlin.

The Leader of the Opposition implied that there might be a tendency to wait upon events improvidently before deciding on courses of action. I can tell the house that at the last NATO meeting in Oslo Canada took a leading part in urging the necessity of effective defence consultation on plans to meet contingencies which might arise in the Berlin situation. The United Kingdom, the United States and France are keeping the other members of NATO regularly informed of progress in their

planning against various contingencies which are seen as possibly arising over Berlin, and the government of Canada will continue to ensure that there is no slackening in the effectiveness of this consultation and planning.

This is no time for pessimism, Mr. Chairman. Equally it is not a time for optimism. Throughout the years all the free world has faced dire dangers. I remember in the fall of 1916 visiting the British House of Commons just prior to the change of administration and hearing the then prime minister, one of Britain's greatest, I think, the Right Hon. H. H. Asquith, say that they had passed through the gravest difficulties. A few weeks later I heard Lloyd George make his first speech as prime minister of the United Kingdom. I was one of seven Canadians who had that privilege. I might be asked how I happened to get into the gallery. As a matter of fact, Sir George Perley was on the troop ship returning to his job as high commissioner and he said that if at any time in the future there was anything I wanted I should get in touch with him. It was not many weeks before I did. I said, "I want a ticket to the gallery". He said, "That is a lot more difficult to secure than almost anything else you could ask for". I said, "That is what I want, that is what you promised me". I can tell you, Mr. Chairman, that is what I got.

I heard Lloyd George's speech and I have always remembered it. He had the power, the imagery and the command of language necessary for such an occasion. He compared the situation then to his boyhood days when he used to look toward the west with a mountain immediately in front of him. He wondered what was beyond that mountain so finally he climbed it and there was another mountain ahead. He said, "I knew that somewhere beyond there was hope for the world". I believe that today. I believe that if the free world will but stand firm, resolute and determined and at the same time not stubbornly unresilient to the necessities that are brought about through change, we shall come out of the Berlin problem stronger in the things of the spirit than ever before; for, as I see it, if we follow a course of defeatism by giving up our principles, we shall have laid the foundations for a future frightful to contemplate.

Communism does not understand any other principle than power. Communism does not believe in an immortal being who determines the course of mankind, even though sometimes taking generations to do so. We do, and if we do our part now without permitting ourselves to be intimidated I think there is a possibility that we shall be laying the foundations for a new relationship between the communist world and the world of freedom, a relationship which cannot be hoped to be attained if we capitulate to the degree Khrushchev asks us to. If we give up our principles, what have we to live for in the years ahead?

I remember that in the dark days of 1917 Quiller-Couch wrote a novel about two men who opposed one another, one of whom believed in the things of the spirit and the other of whom ridiculed such beliefs. The one who believed in the things of the spirit gave up his principles in order to defeat his opponent. He did. He won and when he had achieved victory there was no difference between him in his victory and his opponent if he had been successful.

I know there are some who say that they think the things of the spirit should not be considered. We are right in the stand we are taking in this matter. It is not only a question of the people of West Berlin although we gave our pledge there and must keep it. It is a question of whether we shall allow Khrushchev with intimidation and threats to push us back and back to a point where we have nothing but our past to look back on. If there is to be a future, if mankind is going forward to higher and better things, the things of the spirit are as important to nations as they are to individuals. It is in that spirit that I hope the free world will stand, prepared to make those changes which the realities demand but not prepared to sacrifice the principle in which we believe, the principle of the right of people to live under law even though the rule of law is not effective internationally.

Mr. Herridge: Mr. Chairman, it was not my intention to speak a second time in this debate, but I think now is the proper time to speak up and make the position of this party on one particular issue quite clear. I have listened with a great deal of interest to the majority of speakers and I listened with interest, as I am sure we all did, to the speech just concluded by the Prime Minister. I was interested in his sort of re-analysis of Canadian foreign policy and his indication of support of the United Nations. He knows our attitude in that respect. He referred to the government's policy with respect to NATO. I will not say anything more about that now because we will have something to say about it when the defence estimates are under discussion. He also referred to support for the commonwealth. I know the Prime Minister knows that we in this group, as I have said on numerous occasions, have a great affection for the commonwealth. We believe it can play an even stronger role than it has played to date, as an institution, if it is utilized.

However, I rose particularly to mention this Berlin issue. I want to be quite clear that I understand the Prime Minister's remarks correctly. We were listening to him carefully and at one point we understood him to indicate that it was the government's position that if there were any change in the status of West Berlin, or a war, that we were honour bound in this country to support war. Am I correct in that interpretation?

Mr. Diefenbaker: What I said was this. If perchance, and all of us hope to the contrary, war came, we would become a participant because of our relationship, our undertakings and our pledges in NATO.

Mr. Herridge: I want to make it quite clear that we in this group take the firm position that we cannot support the position that a world war should come over Berlin. We trust that negotiations will prevent it. This is our attitude toward the situation in West Berlin, and we believe it is the attitude of the majority of Canadian people as indicated by the press, by numerous publications and some hon. members here. We believe this position has been indicated to some extent by the speeches in this house, the speech by the hon. member for Leeds, by the hon. member for Edmonton-Strathcona, the hon. member for Niagara Falls and others. I am sure that this government will do all that is within its power to work for negotiations to have the problem settled through the utilization of the institution of the United Nations.

I do once again want to emphasize the attitude of the Canadian people. We feel very strongly on this question, Mr. Chairman. The Prime Minister took a somewhat different attitude from that of the hon. member for Edmonton-Strathcona. I give the hon. member great credit for a very courageous stand. He said, when speaking on September 8, as recorded at page 8136 of *Hansard*:

> First, the hon. member for Greenwood mentioned coexistence.

I thought the hon. member for Greenwood made an excellent speech.

> It is a peculiarity of the thinking today, in the United States particularly, that to mention the word "coexistence" puts one sort of into the appeasement class or that of a fellow traveller. Let us look at its very realistically. The communists are there in many countries. Their system is well and firmly entrenched. They are extremely powerful.
>
> There is more than that. There is no doubt that they have the solid support of a large segment of their population. In fact, we can see no reasonable hope that in the very near future they are likely to be overthrown. They are there. They are strong. They are going to remain there unless they can be overthrown by force of arms and, as I said before, I think that any question of overthrow by force of arms means we will be out of the frying pan and into the fire. It cannot be done without destroying us all.
>
> Therefore peaceful coexistence is the only existence there is. It is not an alternate form of action; it is the only possibility. Therefore we must do all we can to try to relieve the tension which might destroy us all. Certainly if we are going to live in peace with our neighbours it would behoove us to have a foreign policy more in keeping with our Christian, democratic principles than merely an anti-communist line.

I thought the hon. member made a very courageous speech on that occasion. I should like to quote from an editorial in the August 29 issue of the Vancouver *Sun*. It is entitled, "The Dreams and the Facts."

> "We are in an impossible situation over Berlin and our refusal of de facto recognition to east Germany is a position we shall have to abandon sooner or later."
>
> Dr. Hugh Keenleyside said it. It would have sounded even better in the mouths of some western statesmen who permit themselves only to think it.
>
> In public, spokesmen of the west still pay lip service to daydreams. Daydreams are more pleasant than facts, but not as useful in diplomatic bargaining.
>
> One dream: Russia will permit free elections which would result in East Germany joining the west.
>
> The fact: Russia won't give it up. She fears a reunited Germany. So do many people of the western world.
>
> Dream: We shall pretend the east German state isn't there. Perhaps it will wither away.
>
> Fact: The puppet state can be kept alive by Russia as long as she feels she needs it. Since we have rearmed West Germany, that is likely to be a long time.
>
> Dream: All that is necessary is that the west show a united front in West Berlin.
>
> Fact: It is a poor place for a front line. It is a western island more than 100 miles inside the Russian empire. Military experts say it is indefensible.
>
> Dream: Khrushchev wouldn't dare start a war.
>
> Fact: Khrushchev doesn't need to. He plans to sign a peace treaty, 16 years delayed, and give East Germany control of the West Berlin access routes.
>
> Dream: We can fight our way in.
>
> Fact: No one has shown how, except by launching a nuclear war which would result in certain destruction of Russia and the United States and perhaps everybody else too.
>
> There is nothing new in these facts. No spies risk their lives for them. They are as well known in Moscow as in Ottawa or London.
>
> Yet it is on such facts, as restated by Dr. Keenleyside Saturday, that western nations must build a policy designed to preserve West Berlin and peace.
>
> Here, Canada could give a lead. But we are silent, while Washington's emotional cries about sacred honour fill the air.
>
> Must Prime Minister Diefenbaker continue to stifle the calm and reasonable voice which Canada could interject into the Berlin affair?

Then, we find a former colleague of the Leader of the Opposition and the hon. member for Essex East taking the same point of view as members of this group. I quote from the Vancouver *Sun* of recent date, the Hon.

James Sinclair, former minister of fisheries in the Liberal government:

"Why any Canadian should die for the people who created Belsen, Buchenwald and Auschwitz is beyond me".

So said James Sinclair, former federal fisheries minister and veteran foreign observer.

Sinclair, speaking from his north Vancouver home, said that he believed the best thing that has ever happened in Europe was to have the most war-like nation divided in half.

"Germany has started two wars in this century, and the Eichmann trial has reminded people just how the Germans behaved," he said.

He said he would rather see West Berlin absorbed by East Germany than another war.

"Even with a communist take-over in Berlin the West Germans of that city would still be living, which is more than we can say for the six million Jews that they sent to the ovens and gas chambers," he said.

The article goes on to say:

Sinclair termed the east-west division of Berlin an incredible blunder, adding: "When you make such a stupid blunder you cut your losses and adjust."

Then, a former minister of national defence, Hon. Ralph Campney, defence minister under the Liberal government, said:

If the price is to lose Berlin or have another war then there shouldn't be war.

But he said that the true issue is more than just Berlin, but rather the mistake made when the city was divided after the second world war.

"These mistakes should be corrected," he said, "by negotiation and compromise, and while Berlin might be lost to avoid another war I think there will eventually be a permanent division between east and west Germany."

Then Premier Douglas, the leader of the New Democratic party, has this to say:

If the east Germans cut off access to West Berlin after signing a separate peace treaty with Russia the matter should be dealt with by the United Nations.

He said Canada should make it clear to her NATO partners she isn't prepared to go to war over Russian recognition of the east German government.

"This is the real problem," he said, "whether or not the western powers are willing to recognize that East Germany exists."

"The only reason they're avoiding it is to please Adenauer in his dream of a reunified and rearmed Germany," said Douglas.

Douglas said he believes the west is working itself into a state of hysteria over the matter of access to West Berlin.

"Yet," he said, "there is no suggestion that the East Germans will cut off this access."

He said the west should come to some kind of terms with East Germany.

I took the time to read those editorials because they are receiving a great deal of support in British Columbia. Only today I received a letter from a retired squadron leader, a holder of the distinguished flying cross, in which he said, "I back you people up 100 per cent". I have received several letters of this type from men who served in the forces in world war I and world war II.

I rise to re-emphasize the point of view of this group and to say again that we are behind—

An hon. Member: We know your point of view.

Mr. Herridge: I am glad the hon. gentleman does. At least we state it and give it expression. We are behind this government in all it does and we are behind the Secretary of State for External Affairs in all he does to explore every avenue and to give some leadership in this direction to other countries. We should not follow on the tail of the United States, but should use our British commonwealth connections toward this end. There are many countries in the commonwealth who take the same stand as this party and who go arm in arm with Mr. Nehru and other leaders in the commonwealth who act with some moral force in the world to exert some influence at this critical time so that negotiations will continue.

I know how we all feel about the attitude of the Soviet union and how dismayed we were with the resumption of nuclear testing, and so on. We are all agreed about that. No one thinks more of freedom than the members of this group. I say that if freedom is to be maintained in the world today and if peace is to be maintained; if we are to develop civilization for the days ahead which will provide us with peace, and the majority of peoples in the world with a decent standard of living, it will come from that force which does not believe in capitalism or communism as it exists today but believes in democratic socialist principles applied through a Christian expression of life.

Mr. Regnier: Mr. Chairman, it was a great privilege for me to hear the speech made by the Prime Minister to the bar association in Winnipeg, the theme of which was that the fullest discussion and negotiation must take place before we can have any thought of war. I feel very humble today in speaking after the very great address given by the Prime Minister. However, I have always taken an interest in international affairs and in my maiden speech on May 29 I referred to this part of the speech from the throne:

My government will continue to make unremitting efforts to assist the peaceful solution of international problems and in the accomplishment by patient negotiation of a substantial measure of disarmament.

In referring to that passage I quoted a report appearing in the Ottawa *Citizen* of May 15 under the headline "Montgomery Feels Canada Should Lead Free Crusade". I quote from that report:

It seems to me Canada is in a unique position to provide robust world leadership. Your nation

cannot be charged with the stigma of colonialism; you're lucky that way. You have a very good amalgam of French and British blood; that's good. It is quite clear to me that the nations of the world are looking to Canada for a lead. That is a fact. I am not saying that to please you. I would like to see Canada develop a foreign policy of its own, not tacked on to someone else, and give that lead.

I believe Montgomery is a man of great experience. He is a man who knows about wars and he is a lover of peace. He has taken an independent attitude on world problems and Canada might very well heed his advice.

I was very much touched by the reference made by the Prime Minister to our great Secretary of State for External Affairs, who has devoted so much of his time toward the maintenance of peace and disarmament. However, the Prime Minister stated about our worthy Secretary of State for External Affairs that in the opinion of the Kremlin his work showed weakness, instead of greatness. I think the battle for peace and disarmament is not ended; it must be sustained, and the more so when the need is greater.

Napoleon once said—and he was a man of war, as everyone knows—that even in war moral power is to physical as to three parts out of four.

Mahatma Gandhi relied only on moral power and he was able to obtain, by his passive resistance, the freedom and independence of India. Nehru today has nothing more than moral power to offer the world, yet both the west and the communists are competing for his approval and are shrinking from his disapproval.

As I said before, it was a great privilege for me to hear the speech made by the Right Hon. Prime Minister to the Canadian Bar Association on September 1. I feel that Canada should never be committed to war by proxy. The key to our participation should never be left to those who dropped atomic bombs on Hiroshima or Nagasaki. Canadians want Canada to be free, not a mere appendage to our southern neighbour. Canadians have faith in the logic and humanity of our Prime Minister and Secretary of State for External Affairs. We cannot give a proxy to either NATO or NORAD. We cannot abdicate our right in advance to keep us from maintaining or breaking the peace.

I should like to quote a few proverbs and sayings in connection with war. Franklin said:

There never was a good war, or a bad peace.

General Grant of the United States said:

When wars do come, they fall upon the many, the producing class, who are the sufferers.

There is a German proverb which says:

A great war leaves the country with three armies—an army of cripples, an army of mourners and an army of thieves.

[Mr. Regnier.]

Wellington said:

Men who have nice notions of religion have no business to be soldiers.

Wellington also said:

The next dreadful thing to a battle lost is a battle won.

Fielding said:

War is the sink of all injustice.

Tertullian said:

In disarming Peter, Christ disarmed every soldier.

We are presently suffering from a recurrent attack of war virus. This virus thrives on the thirst for conquest, thirst for turmoil and the innate ferocity and barbarism of man. Any student of history well knows that all wars have been futile in their results. I well recall in 1940 listening to a lecture by a professor of history at the University of Manitoba, Professor R. O. MacFarlane. He was also chairman of the royal commission on education in Manitoba and gave very great service in this respect. He stated at the time we were at war with Germany that after the war we would become the allies of Germany in a war against Russia.

This is what happened. Probably 20 years from now we may be allied with Russia in a war against China. If we could get all our scientists to study the history of mankind from the very beginning, I think they could through the use of computing machines, tell us the date of the next war. In my opinion, this is how human nature works. It is like that of the lemmings which periodically go and jump in the sea, driven by we do not know what. It seems to me that human nature is almost the same and that war will come. It is said that war is unthinkable, but I believe it is possible and I believe that we should really prepare for it.

How futile was the bloodshed in the past when one considers that the nation we have bombed and whose nationals we have killed by the thousands is our best friend today and that the nation we helped to defend is our deadly enemy today. How futile was our participation in such carnage when we realize that the avowed object of our participation was the defence of Poland and that one of the first provisions of the peace treaty provided for the enslavement of Poland. How naive were the leaders of the world who made the peace that divided the city of Berlin one half of it free and one half of it enslaved. Wars breed more wars. We won the war but we lost the peace.

The war spirit is a disease of the mind and of the heart caused by the lack of the love of God and the abandonment of Christian principles. The lesson of history teaches us

that today's friends will be tomorrow's enemies and that our objective of today will be altered tomorrow and perhaps be completely reversed. One should never be the aggressor, no matter what the provocation. No loss of prestige or, as the orientals say, loss of face, can be a sufficient reason to go to war. If we went to war for Berlin, Berlin would be destroyed and therefore the purpose would be non-existent. If we go to war, no matter what we do, history will show that we did not settle the question on Berlin.

I do not wish to leave the impression that I am opposed to war preparations because the old saying of the Romans *si vis pacem, para bellum* has always been true. I know that we must prepare for our defence. When I say that, I like to think of what was told to Canada at one time—it was on August 31, 1955—namely that there were two fronts to defend, the military front and the home front. We have acquitted ourselves very well with regard to that part that dealt with the military front but only now are we going to do something worth while for the home front. I scrapped a couple of pages of my speech because I was going to be very severe with the Liberal party. When I came to this house in 1958 and questioned the then minister of national health and welfare, he told me that under the Liberal regime they had prepared for a million casualties but they neglected to do anything to prevent those casualties. Either they wanted to justify the expense by not providing for doing away with casualties or they wanted to encourage some of their business friends by buying a great deal of material. At least it showed that they expected that it was possible to have a million casualties. I think there is no excuse for having done nothing about civil defence. I should like to express my great satisfaction in the announcement that we are going to train 100,000 men by groups of 25,000. I think this is a very good beginning. I want to reserve my comments until I get the full details of this organization. I have here the August number of a book called *Pageant*. In it there is an article entitled "Inside Russian Civil Defence". It took five years for Khrushchev who started that activity himself when he took power in 1955, the time when we were told that the time to act was now. I understand the civil defence organization was completed in Russia in 1960. Instead of commenting I am going to read this article fully. It is found at page 6 and is by Henry Jordan. He says this:

Our program has been muddled, and our attitude fatalistic. But the Soviets give every citizen years of intensive training. Should we be doing likewise? Here is the first, complete report on the little known Red plan for survival.

Do you know what "fallout" is made of? Why it spreads? How to gauge the "delay period" after a nuclear bomb burst—the time it's still safe to be outdoors?

Do you know what kind of clothing will fully protect you against residual radiation? Or how to rid your kitchen utensils easily of dangerous radioactivity?

Being unable to answer these and other such questions makes you a definite risk in the age of nucleonics. But, as you are no doubt aware, you're in a vast and mostly excellent company: perhaps 98 per cent of us in these 50 states.

You may not consider knowing the answers to these questions of very much importance to your life. You, along with most Americans, may consider all civil defence activity a hopeless exercise in futility. We have been told by various philosophers, statesmen and some scientists that a nuclear war would finish our civilization if not life itself, turning this world into a ball of poisonous ashes—a cosmic monument to man's folly—no matter what our precautions or preparations.

Perhaps so. But it may surprise you to know that a few thousand miles away in the Soviet union every factory worker, high school senior, subway conductor, plant manager and housewife is able to answer the questions cited in his sleep—and many more besides.

As our intelligence men know only too well, all Soviet citizens from 16 to 60—upwards of 135 million people—have six years of the stiffest civil defense drill behind them. With only the bedridden and insane excepted, they were required to attend classes and were taken out on field exercises to learn in theory and practice how to survive war in the age of the fiery mushroom cloud and radioactive fallout.

The leaders in the Kremlin obviously hope that our interest in civil defence will continue to be desultory, that most of us will continue to believe —despite governmental exhortations—that we cannot survive a nuclear war. Soviet Premier Khrushchev himself has repeatedly uttered gloomy predictions that a war of rocket-propelled H-bombs would leave no victor, only total destruction.

But there are experts who warn that Khrushchev is no more sincere than Henry L. Menckens mournful undertaker "conducting a $900 funeral." He would not draft every man, woman and half-child for army-type drills every 12 or 18 months, spend badly needed funds, manpower and materials on anti-nuclear shelters, anti-fallout masks and decontamination equipment, unless he considered the "unthinkable" war a possibility after all—and that measures could be taken to reduce the toll.

What is the exact nature of Soviet civil defence preparations? Is there anything we can learn from them? Should we be taking similar steps?

On the following pages, *Pageant* presents the first comprehensive report on Soviet civil defence ever put before the American public. The information comes from many sources—secret Soviet training manuals, military periodicals, intelligence reports, interviews with escapees.

What emerges is a picture of a nation systematically being readied for the ultimate horror of a nuclear war. The story may well shock many Americans out of their business as usual mood. It contains information vital to an understanding of the basic political battle of our times.

Probably nothing characterizes DOSAFF, the Soviet civil defence organization, more tellingly than the fact that all its activities are classified defence secrets. (The initials stand for *Dobrovolnoe Obshchestvo Sodeistviia Armii, Aviatsii i Flotu* or: "Volunteer Society for Assistance to Army, Air Force and Navy.") Appropriately, DOSAAF was in the administrative grip of the Soviet secret police until 1953, when an organizational shuffle put it

under the Ministry of Internal Affairs. But experts on Soviet affairs point out that the shift changed nothing—95 per cent of the Ministry's work concerns secret police activities.

Informed observers believe there are two major reasons for the secrecy surrounding Russian civil defence. First, the Soviet leaders do not wish to alarm other countries into setting up similar survival programs. Second, they do not want anyone to draw the conclusion that the Soviet preparedness drive could mean planning for war, not peace.

Yet it was Khrushchev himself who violated the secrecy rule a few years ago. Then he boasted to a German newsman of how formidable the Soviet union was, and how her rockets would obliterate all enemies without great cost to the Russian people, who were made safe from nuclear horrors by the largest civil defence program in the world.

"After I took over, I brought up the cadres of permanent civil defence workers to twenty two million, most of them demobilized army personnel," Khrushchev declared. And this was not an unlikely figure, considering that in World War II DOSAAF's hard core, recruited from a far smaller population, was made up of 25 million people.

The reactivation of DOSAAF Khrushchev spoke about goes back to 1955, when he succeeded Georgi Malenkov as actual head of the Soviet state. Surely a thermonuclear war would be costly, reasoned Khrushchev. But with sufficient preparation on the civil defence front, Russia's losses could be minimized, while the overconfident Western world would be effectively destroyed.

Civil defence therefore headed the list of Khrushchev's new projects. He ordered an immediate "mass attack"—the popular Soviet term for crash program. Within a few weeks, of his assuming power, directives were issued and Russian adults and adolescents of both sexes—by Soviet count, 83 per cent of the population—"volunteered" for DOSAAF civil defence courses.

Simultaneously, millions of training pamphlets were turned out. They dealt with the nuclear facts of life—gamma rays, "thermal storm," and what could be learned from observation of the fireball and mushroom cloud of H-bomb blasts.

The training courses of 1955, the first of several, ran ten class hours mainly devoted to theory. This was supplemented by field exercises in decontamination and first aid held on week ends and Sundays, the number depending on local needs.

At the conclusion of the course, each trainee was required to appear before a board and take a stiff exam on his knowledge of civil defence procedures. Low marks resulted in a return to class for further training. High marks earned DOSAAF's students certificates, brass badges, and hints of job promotion.

Whatever other ends the DOSAAF drills served, they helped strip atomic war of some of its awesomeness. General Boris Olisov, commander of the Red Army's Corps of Engineers, made a revealing comment about this in the usual upside-down Kremlin fashion:

"The western imperialists keep magnifying the danger of nuclear war", he wrote in *Red Star* the Soviet Army newspaper. "Their plan is to frighten, bully and blackmail other nations into submission. But this will get them nowhere as far as the Soviet goes. Her people have lost all fear of nuclear attack, thanks to systematic training in all aspects of civil defence".

Elsewhere in the article, the general hinted about the nature of future DOSAAF drills.

"You can't get to know all about civil defence in one day or one course. Yet, as our trainees are finding out, the simple, old fashioned rules hold true even in this age. Jumping into a ditch raises a man's chances to outlive a nuclear blast ten times. A ditch is still man's best friend."

What did the millions of DOSAAF students learn? I interviewed a former trainee who had escaped to the west.

First of all, he revealed, the hazards of nuclear war were consistently minimized—often sensibly so. Fallout, the DOSAAF teachers lectured is literally "trash"—dust and debris. When one of the big bombs goes off, a violent updraft sucks tons of liquefied, vaporized earth, stone and metal skyward to heights of 100 thousand feet and more. This debris is "hot"—highly radioactive.

Rather quickly, the vapors and droplets solidify in the thin, cold air of the upper atmosphere and "fall out". While they are still tumbling downward like myriad specks of dust, the ground, even in the immediate blast area, is entirely free of radioactivity.

This is a last, desperate period of grace during which it is still safe to leave shelter, gather up one's family, fight fires, or give and get medical attention.

Depending on weather and wind, the period of "dead time" may last 50 minutes or eight hours. Then, when the first fallout fragments set Geiger counters clicking, people will take cover.

"Even a roof of cardboard can save your life," the DOSAAF textbook informed students. "But just as radioactive dust must be prevented from touching your skin, it also has to be kept out of your lungs. The cheapest face mask equipped with a cloth filter will do an adequate job. If you have no mask, breathe through a damp handkerchief.

In a further attempt to take the terror out of nuclear war, DOSAAF training put great emphasis on the fact that fallout is as perishable as a snowflake in the hot sun. Scientifically this is entirely correct. Ten hours after a bomb burst, all the rampaging, life-destroying radioactivity loses 90 per cent of its strength. Before two weeks are up, life in a city can gradually resume, since radiation by then will be down to one tenth of 1 per cent.

Advanced Course

In 1956, at the close of the short Russian summer, DOSAAF again beat the drums to call all citizens for a second round of survival lessons. Classes started without delay. This time the emphasis was on practical matters, like Olisov's ditches.

Millions of citizens drilled in practice digging. They set fire to huge trash piles and put them out again, timed by instructors' stopwatches. To limber up still further, they were taken, regardless of health, on 20-mile marches, so-called "exercises in emergency evacuation."

Evening classes tackled "how to" matters: How to keep food and water supplies from absorbing poisonous radioactivity, for example (by sealing out dust). How to rid kitchen utensils of dangerous radioactivity (by washing with soap and water). How to rid oneself of "hot" fallout (by washing and more washing).

In the vast Russian hinterlands, DOSAAF instructors stressed problems of the sod and barn.

With animals, by and large, they told students, proceed as with humans. Make sure they are under cover when fallout starts. If radioactive matter gets on their hides, scrub them with soap and water. Should their eyes turn red—irritated from looking at the bomb's fireball—rinse them with DOSAAF's special eyewash.

What if the earth itself gets a dose of ionizing poison? Wait for rain to settle the dust. Then plow the hot trash under. Chances are it won't bother you again. Each rainfall will wash the hot debris deeper while time scatters its radioactivity.

The second DOSAAF training course also covered weapons not mentioned before: poison gas and bacterial warfare.

[Mr. Regnier.]

Instructors lectured about plagues, pests, infected lice, bacillus-derived botulism toxin (so powerful that a thimbleful could make New York City's entire water supply too deadly to drink), and how to detect germs by use of a biological detector kit. Poison gases were dealt with just as thoroughly —how the various kinds act, how to identify them, what protection is available, how to give first aid and how to de-gas a building.

The Acting Chairman (Mr. McLennan): Order. I regret to interrupt the hon. member, but I must inform him that his time has expired.

Mr. Regnier: Mr. Chairman I was reading an article. It would not take me more than a few minutes to complete reading two more pages. I wonder whether I could have the full article incorporated in *Hansard*?

The Acting Chairman (Mr. McLennan): Does the committee give consent to the hon. member to continue?

Some hon. Members: Agreed.

The Acting Chairman (Mr. McLennan): Does the committee give consent to the hon. member to have the article printed in *Hansard*?

Mr. Martin (Essex East): It is not in accord with our practice to incorporate an article in *Hansard*. Now that I have intervened, I think the hon. member would be permitted to read it. But, just to put in the article is against our practice. A table is different. If we started to allow hon. members to put in articles some hon. members could put in my speeches and this would be objectionable.

Mr. Jones: Mr. Chairman, I wonder whether this other issue has been settled. Did I understand the hon. member for St. Boniface requested that the article be printed as an appendix to *Hansard*?

Mr. Regnier: Objection was taken to that procedure. I think the hon. member for Essex East asked that I be allowed to complete reading the article instead of having it printed as an appendix to *Hansard*.

Mr. Martin (Essex East): My point is that the suggestion that an hon. member should be allowed to put on the record a portion of a speech or commentary without the words having been read would be contrary to our practice. I have never seen it attempted. Tables are different. Now that there has been this intervention, I think the hon. gentleman ought to be allowed to read the article.

Mr. Regnier: I think there is no objection—

Mr. Martin (Essex East): The hon. member is going to read it, not just table it.

Mr. Regnier: I continue:

At the end of the second course—a total of 22 class hours and much field work—the final exam was supplemented with a practical experiment to emphasize the lessons learned. Every trainee was forced to spend 30 minutes in a room filled with chloropicrin, a lethal world war I gas that has a habit of penetrating seemingly tight masks.

Children Too

A third DOSAAF course started in mid-1959 and lasted into 1960. It required 14 class hours and again a locally determined number of week ends and Sunday sessions. The scope of its curriculum is reflected in the variety of questions students were asked in the final examinations. To mention only a few:

"What are the effects of 125 roentgen units of radiation on unprotected people (a) after one hour; (b) after 12 hours?

How do you put a breathing mask on a wounded person in 30 seconds?

What medical self-help procedures are available in case of (a) atomic, (b) gas, or (c) germ attack?"

Trainees able to answer 80 such questions received a somewhat cryptically inscribed badge: "Study in Air Defence."

The DOSAAF program does not forget children. They, too, have training to undergo. From the age of six they were required to attend lectures that told them of death rays you can't see or feel; insects that spread plagues; Geiger counters; how to tie on a gas mask; what to do when (a) one parent or (b) both parents are killed. Children who knew their lessons well were awarded shiny brass buttons with the imprint "Ready for Defence."

Concrete Mathematics

The ability to live through a nuclear conflict is not only a matter of knowledge. The Russians are well aware that it is a matter of solid radiation-proof shelters also.

As intelligence sources have pointed out, an entire government city has been under construction for some years seven miles from Moscow. It is now being rushed to completion. Hacked out of primeval rock, this emergency Kremlin is buried 1300 feet below ground level. It is designed to take a direct hit by a 20-megaton hydrogen bomb—the equivalent of 20 million pounds of t.n.t. Stores food, fuel and oxygen will be large enough to last through a two-year siege.

Thousands of smaller shelters are now being readied throughout the country—shelters calculated to take anything but a direct hit. There are also the deep subways of Moscow, Kiev, and Leningrad, designed years ago as bomb shelters as well as transport facilities. And a law passed in the 1930's made it mandatory to equip every new building, small family dwellings included, with bomb shelters of steel-reinforced concrete.

Obviously there is some civic delusion in this pretense that any kind of shelter could be a match for H-bombs. But basically, the leaders in the Kremlin are as exact in their calculations as business machines.

Stripped of essentials, Soviet survival mathematics go like this: In a war, 50 to 100 nuclear bombs will drop on Russian soil. Where they hit, shelters will be smashed, all life extinct.

But immediately outside the impact area and beyond it, thousands of shelters will be intact, and, provided fallout precautions are taken, people will survive.

This viewpoint, of course, is no Soviet exclusive. It is shared by many American experts, and by organizations which have carried out critical surveys of this country's defence postures in recent years. Among them are the collective authors of the Rockefeller, Gaither, Johns Hopkins and the National Academy of Sciences reports, which called for an immediate crash program in shelter construction.

But while our "reports" gathered dust and we did little or nothing, the purposeful men in the Kremlin pushed the construction of shelters for all. By the end of 1960, intelligence sources inform us, the program was completed—one U.S. expert called it the most extensive shelter program in the world.

And now that every Soviet town and crossroads had its shelter, DOSAAF in early spring of 1961 launched still another ambitious drill program, billed as "exercises in shelter management."

The typical Soviet big-city shelter, with a capacity of 2000 persons, is a mass of steel and concrete set deep underground. It is equipped with blast-proof steel doors, emergency exit tunnels, air-filtering apparatus, its own water and power systems, detection devices for radiation, gases, and microbes, and enough food and compressed oxygen to last two weeks, the time necessary for radio-activity to drop to tolerable levels.

These shelters are engineered to withstand a nuclear bomb burst a few blocks away. Shelters in places unlikely to come under direct attack offer proportionately less elaborate protection. Those in rural areas, where fallout is the only worry, are little more than dugouts lined with lumber and roofed over with tin or scrap lumber.

"Two feet of dirt piled on the roof," DOSAAF instructors tell their classes, "will filter out 99 per cent of the fallout radiation."

A parallel features of the present drill is "evacuation exercises," and thereby hangs an interesting Soviet policy reversal.

All through the years, implacable regulations had called for city populations to stay put in case of war, allowing for certain exceptions.

But under recently decreed rules, only essential manpower stays behind. The vast majority—perhaps because of improved transportation—will be evacuated, first to staging areas 25 to 50 miles beyond city limits, then to Russia's vast, safe back country, along routes dotted with fallout-proof way stations.

In an atomic war, shelters or not, the dead in Russia would pile up. Estimates on the probable extent of the casualties are available. Last year, a Soviet military attache, toasting his way through a diplomatic dinner in Paris, let slip what he said was the Red Army's guess: two million dead.

"A bargain," he added. "During World War II we lost twenty five million."

Off-the-record American computations of Soviet losses, based on the probable numbers of targets and bombs involved, are remarkably close to the talkative Soviet official's two million.

But what would American losses be? Based on the current state of our civil defence preparations, if war came tomorrow our casualties would be 62 million dead and 24 million wounded.

The statistics of this carnage represent the result of dispassionate calculations by some of our best qualified experts. In the summer of 1959, the blood-chilling estimates were submitted at congressional committee hearings called by Representative Chet Holifield of California.

The official reaction was silence—tantamount, in the view of some observers, to an endorsement of the estimates and a tacit acknowledgment that one half of the nation would be maimed or slaughtered in any future atomic war.

The official Soviet position could be summed up like this: A well-informed, properly trained people who know the worst and the best about a disaster situation are not likely to lapse into hysteria and self-pitying thoughts of doom and surrender, or even simple resignation to fate.

Khrushchev must have had this in mind when a few years ago he commented with blunt cynicism: "A nuclear war will drive the capitalist population into insanity. Only the people in the communist countries will hold up well. They know what to expect and are fully prepared for it."

To "prepare" us, we have our own "DOSAAF," in the OCDM—office of civil defence mobilization—headed by director Frank B. Ellis and forming part of the executive office of the president.

Unlike DOSAAF, OCDM has been accused of being in a state of suspended animation from the start. Critics have claimed that it dozed through one cold war crisis after another, and that it was not even shaken up by the roaring fireball which leapt into the Siberian sky on August 12, 1953, heralding the birth of the Soviet H-bomb.

Coupled with official lethargy, of course, has been that of the American citizen. Attempts to arouse him to support of a civil defence system have met with almost universal failure. Part of the trouble, too, is that officials have admitted both publicly and privately that our defence program is inadequate.

Director Ellis of the OCDM as late as last April characterized the American civil defence program as "completely inadequate". Ellis pressed a demand for a program almost tripled in size—and emphasized his seriousness by threatening to resign if funds for the expansion were not forthcoming. He was opposed by both the director of the budget and the president's special assistant for national security affairs; other administration projects, they said, had greater priority for funds.

The Kremlin, however, is never in doubt as to the day and age we live in and plows industriously ahead with large-scale, costly defence plans. Their reasoning seems to be that "the bomb" is here to stay, something to live with, and if possible to survive.

DOSAAF promises its students that they will be able to straighten out a radioactive city in no time at all. Streets, roofs, and house walls will be cleansed of radioactivity by teams with fire hoses. Since fallout is only dust made radioactive, decontamination of dwellings will amount to little more than a thorough spring cleaning. Soviet citizens are told they should do the job in tight clothing, gloves and breathing masks.

The Acting Chairman (Mr. McLennan): Order. I wonder whether the hon. member could indicate how much more he has.

Mr. Regnier: I believe I have three or four short paragraphs. I am sorry to inflict this punishment on the committee but I think it is very important to publicize civil defence in general.

When they are done with the job, the efficient DOSAAF will pick up the clothing and wash it free of radiation in one of its decontamination laundries.

Eyewash for Ivan? Is it really all that simple and innocuous?

No, it certainly isn't. DOSAAF glosses over many difficulties, but that is only customary with patriotic literature. Yet it is an undeniable fact that DOSAAF's relaxed views on fallout are shared by many American and British experts.

In some instances, the agreement is word for word. Some official DOSAAF publications are simply plagiarized versions of western works.

The works of Dr. Willard F. Libby, Nobel prize winner, former member of the U.S. Atomic Energy Commission and a prolific writer on the atom, have been repeatedly pirated by the Russians.

No friend of the Soviets and an unwilling DOSAAF author, Dr. Libby nevertheless shares DOSAAF's views on fallout. Time and time again he has stated in scientific periodicals and before

congressional committees that what some have said of the danger of fallout is immensely exaggerated.

More than 160 bombs—both atomic and hydrogen, including some of the largest and "dirtiest"—were set off between 1945 and 1958. Yet, as Dr. Lloyd W. Law of the national cancer institute told a congressional committee, the resulting fallout "was no more likely to produce cancer than two cigarettes a year".

For wearers of watches with luminous dials, Dr. Libby pointed out an interesting comparison: The radiation received from such a watch dial amounts to 40 units a year—as against one unit from thermonuclear bursts in an average year of testing.

That is the end of the article. I wish to thank the committee for putting up with my reading of this long article. I did not finish more than about one third of my speech but as I understand I can speak twice I will take a breathing spell and I may continue after another member has spoken. It took five years for Russia to complete its civil defence program. I should like to compliment the government for starting what one might call a crash program in civil defence and I think we will need all of five years with an accelerated program.

Mr. Churchill: Mr. Chairman, I do not want to be too critical of the hon. member. In fact, I should like to commend him for drawing the attention of the house to what is going on with respect to this very important problem of civil defence in other countries. It is important that we should know about these matters, but I think that the committee has been very lenient and I hope this will not be considered a precedent for hon. members to read into the record very lengthy excerpts. If we were to adopt that practice and if it were extended, *Hansard* would be filled from time to time with articles drawn from sources outside the house. When the hon. member started to quote I did not realize that the quotation would be as lengthy as it was, and I hope he will not proceed later to complete the quotation from the document to which he has referred the committee. I thought that he would rather draw our attention to the source material and perhaps then summarize the gist of it. I hope that this will not be treated as a precedent for the reading into the record of long articles published outside the house. I think this goes contrary to the established rules of the House of Commons and would lead us into an adoption of a system which perhaps prevails in some other areas but is not normal in our parliamentary system.

Item agreed to.

79. Canada's civilian participation as a member of the international commissions for supervision and control in Indo-China including authority, notwithstanding the Civil Service Act, for the appointment and fixing of salaries of commissioners, secretaries and staff by the governor in council, $224,810.

Mr. Martin (Essex East): In his speech the other day the Secretary of State for External Affairs did not touch on the situation in Laos. In view of the importance of this situation in the context of current international problems confronting us, and as Canada is a member of the reactivated international truce commission in Laos, I am sure that the committee will expect a statement from the minister with regard to the situation in that turbulent little country.

When we last met in this house in regard to matters on which the minister had an opportunity to make some comment, he was about to leave for the Geneva conference. Since that time the conference has met from time to time, and in so far as one can judge from what has transpired, no real progress has been made. The minister had taken a proper position with regard to supplying the commission with equipment essential for the prosecution of the assignment given to the commission, of which Canada is a member. We would like to have from the minister a report as to whether or not it has been given the kind of assistance, the necessary equipment, to enable it to discharge its functions properly.

The more fundamental question as to whether there has been an effective cease fire is another matter about which I think the committee would expect a report. Then, there is the still more important question of whether or not the conference is going to be able to achieve the purpose hoped for by the United States, the United Kingdom and other countries, namely, a truly independent and neutral government. Not much progress on that point seems to have been made. I noticed the other day that the vice premier of communist China, or perhaps it was Mr. Chou En-lai himself, who seemed to indicate that it was ridiculous to assume that in Laos there could be a truly independent neutral government. He indicated rather there would be a government that would express the wishes of the people, and that the consequence would be that it would be a government made up of individuals who did not support the position of the west, who did not really maintain a neutral position, but were closer to the communist orbit than any other.

In any event, this conference that is taking place does not give me, at least, any particular confidence in its outcome, although I would hope that the situation were otherwise. This problem of Laos has been with us for some time. It certainly has taken an aggravated form within the period of the last eight months, although ever since the Geneva accord of 1954 it has been a problem of concern not only to the United States

but to all peace loving countries. One would wish that the west had shown the same foresight as hindsight, because what had been urged upon the United States in 1956 is now accepted by that country as the kind of condition it would like to see prevail. It is regrettable that that position could not have been taken earlier. In this particular instance, it is only right to say that strong representations were made by western countries, including Canada, as to what was the wisest course to take in Laos.

We cannot forgo the view that, just as Berlin is now engaging our attention, once that problem is resolved we might find turbulency and a critical situation developing in a new form in Laos. Now that we have an opportunity to review what is being done at the conference in Geneva, it would be well for us to anticipate in every way possible an arrangement that would avoid the kind of situation which could eventuate, that is another crisis on which the communist world would be prepared to hang its hat. We know of the infiltration that is going on from North Viet Nam under the direction of Ho Chi Minh, and the kind of obstruction that is coming from another communist area in Asia.

This is a situation in which we have an interest, as one of the nations. It is one that engages our specific interest because we are a member of the international truce commission. I would be grateful to the minister, as I am sure the committee would be, for an up to date report as to what is happening in Geneva. What is the situation with regard to discharging our role in accordance with our mandate as a member of the commission?

Mr. Green: Mr. Chairman, the situation with regard to Laos is not as bad as the hon. member for Essex East has indicated, although one would be foolish to predict just what is going to happen. For example, I believe the monsoon season is now drawing to a close and the result may be an increase in military activity. The presence of the truce supervisory commission, of which India is chairman and Poland and Canada are members, has helped considerably to keep to a minimum the conflict in that unfortunate country.

Mind you, the commission has not yet received adequate equipment. There have been offers made, for example, recently by the royal government side and that particular picture is not as bad as it was a few weeks ago. I think the communists would like to see the commission have as little power and be just as ineffective as possible. On the other hand, throughout, we have taken the position that the commission had a job to do and that it should be given the tools with which to do that job. It has been impossible for the commission to visit any spot where there has been actual fighting or which could be described as a danger spot. However, representatives of the three parties in Laos are meeting quite regularly. Sometimes the commission is allowed to sit in; sometimes it is not allowed to do so.

There seems to be a great deal of patience exercised on all sides. The hon. member, from his experience in the Orient, will agree there is not much use trying to be in a big hurry in that part of the world. Patience is one of the main requisites to getting along.

I have the utmost admiration for the way in which the Canadians on this commission have been functioning in Laos. We have about 26 officers and men from the Department of National Defence and eight or 10 from the Department of External Affairs under Mr. Mayrand, who is our ambassador to Italy. I have been very pleased with the job they have done under most trying conditions. Canada in that part of the world is making a splendid contribution.

In Geneva, in the meantime, the 14-nation conference is working on a declaration of neutrality for Laos and on a pact which will establish the proper controls. For example, it will deal with getting outside fighting troops away from the country, the importation of arms, and that sort of thing. They have practically agreed upon a declaration of neutrality and are now working on the other document, which will be longer and a great deal more difficult to conclude.

The hon. member should not feel that progress is not being made. I should be very reluctant myself to be sitting in Geneva participating in all these discussions, because there have been a great many of them and there has been a tremendous amount of frustration. But Mr. Chester Ronning, our high commissioner in India, Mr. Paul Bridle, our ambassador to Turkey, and Brigadier Leech of the Department of National Defence, have been carrying on there day after day and week after week and considerable progress has been made.

I am hopeful it will be possible within the next few weeks for the 14-nation conference to reach agreement with regard to Laos. I cannot guarantee that will be the result, because the whole question may blow up. But there is considerable hope that a settlement will be reached. If that is the case, this may be the first field in which something worth while has been accomplished for the last many months.

Mr. Martin (Essex East): Mr. Chairman, the minister is optimistic as to the possible conclusion of the conference that is under

way in Geneva. I do not wish to say much more about the situation in Laos except that I feel the minister's optimism, understandable though it is, nevertheless is not a realistic appreciation of the situation in that sector.

Of course the minister has an advantage that I do not possess. He is aware of the latest exchanges and the nature of all the discussions in Geneva. But it seems to me we ought to take a very realistic view of what is happening in the whole of Indo-China. While there may be a declaration of agreement on the question of the kind of neutrality that is to prevail regarding government in Laos, it would surprise me very much, in view of the record there and the infiltrations that are taking place via North Viet Nam and from across the Chinese-Burma border, if we can conclude that there have as yet been placed before us those guarantees which would give us the conviction that the solemn undertaking of those ideologically opposed to us will be observed. However, only time will tell.

The situation in Laos is not unrelated to what is taking place in South Viet Nam particularly. I take it that the truce commission continues to operate in Cambodia. While perhaps there is no great expense involved in the maintenance of the international truce commission in Cambodia, some justification ought to be given for its continuance. I am not saying it should not be continued, but when we talk of Cambodia we cannot overlook the forebodings of the former head of the government, Prince Sihanouk, who I believe has since resigned, repeating what he has done on other occasions. His apprehension as to what is likely to eventuate from the kind of discussions that have taken place in Geneva indicate that this is a theatre in which we could have increasing trouble in the future.

We hope this will be avoided, but in our survey of what is going on in the world it seems most desirable that we should at least have some idea of the dangers that lurk in that sector, not only because of its effect in Cambodia, Laos and North Viet Nam, but because of the ultimate consequences throughout southeast Asia.

One can very well see what would happen if by a process of attrition Laos were to go by the board. Then Cambodia might go and there would be an increasing strain upon the kind of defence that South Viet Nam would be able to put up against the forces of Ho Chi Minh. Then the consequences for Thailand and ultimately for other Asian countries like India are all part of the process which we must inevitably take into account in the kind of world in which we are living. Does the minister wish to say anything about the truce commission, particularly in North Viet Nam?

The United States government has apparently been able to satisfy President Diem of its intention to increase its assistance to that country in various forms. What does this further assistance mean in terms of further obligations on the part of the international truce commission? Is there any prospect whatsoever of the truce commission in this country being called upon to liquidate its operation in the foreseeable future? I am not advising that; I am merely inquiring. I ask this question because I feel, as I am sure the minister does, that this is one of those areas where we can anticipate an increase in responsibility and concern.

Mr. Green: Mr. Chairman, I think the hon. member for Essex East is unduly pessimistic.

Mr. Martin (Essex East): Realistic.

Mr. Green: He speaks of South Viet Nam falling, Cambodia falling, Laos falling, Thailand falling, Burma and India falling. They may. I cannot guarantee that they will not. But if I were foreign minister of the Soviet union I think I could record a much longer list of countries in which the Soviet union is not doing so well and where they should be shedding a lot of tears.

In my judgment, on the western side there is too much inferiority complex about the Russians; that they are always outsmarting us and we are always behind. This is not the case at all. They make a great many foolish mistakes. They made a very foolish mistake last week when they started nuclear testing. That is just one example of how foolish they can be. They make mistakes in southeast Asia just as they make mistakes everywhere else. We have made mistakes in southeast Asia also. However, the fact is that in Laos, while the situation last May was extremely serious from a military point of view when this convention first met in Geneva, today it is very much better. It is just possible that the three parties in Laos will be able to agree on a government. It may not be the kind of government the west wants; of course it will not be. However, it will probably be the kind of government that the Laotians want; and after all, that is the main test. I think we must look at these problems in these other countries, from that point of view.

Mr. Martin (Essex East): I agree with that statement.

Mr. Green: As to Prince Sihanouk, the hon. member for Essex East says, "Oh, when we get a government, it will be a pro-communist government and the whole thing is terrible; we are just going to lose out right down the line". Let us try to be a bit more optimistic

than that. We are going to have to face tensions of this kind not for a day or for a week but perhaps for ten years, 15 years, or 20 years and I think we must be a little bit more optimistic in our approach.

The hon. member mentions Cambodia. I think the head of state there resigned only as prime minister. I think he is still head of state. I refer to Prince Sihanouk. He is a very good leader. He was largely responsible for the conference taking place at all in Geneva. He went there and made a very statesmanlike speech in opening the conference. If things really work out in Laos it will be at least partially as a result of the leadership he gave. We have a skeleton commission in Cambodia. I do not know that they are needed there but Prince Sihanouk has asked that they remain. They are a great help in keeping peace in that country and in preventing either the communists or the western side from interfering, and he wants the commission to remain. He is extremely friendly to Canada. We have made a splendid contribution in that country and we intend to leave our representatives there as long as that situation continues.

In Viet Nam the commissioners deal with both North Viet Nam and South Viet Nam. They go over and visit the communists every once in a while and they come back to Saigon. We have plenty of trouble with that commission. The Polish representative and the Canadian representative do not always agree. Sometimes the Indian representative agrees with us and sometimes he agrees with the Poles. There have been many awkward situations but we are getting along and South Viet Nam has not fallen. I think the government of South Viet Nam is probably stronger now than it was a year ago. We are hoping that gradually this position will be worked out. In North Viet Nam, and South Viet Nam, Canada again is making a great contribution. It so happens that our commissioner there is Mr. C. J. Woodsworth, the son of J. S. Woodsworth, the founder of the C.C.F. party and he has been doing an excellent job.

These posts in southeast Asia are very difficult ones for Canadians. A fairly large group in the Department of External Affairs and in the Department of National Defence have now had service there. I believe this is one of the areas of the world in which Canada can help a great deal. We are not doing this under the United Nations. These commissions are in there as a result of having been set up at the Geneva conference in 1954. However, regardless of the fact that they are not United Nations commissions they are doing a good job. I realize that most of the reports from the region are full of woe and sadness and to the effect that everything is going to pieces. However, the world has not gone to pieces yet. It may do so next week but it has not done so yet. In the meantime, let us keep our chins up.

Mr. Martin (Essex East): I am sure that we all admire the minister's optimism. I suppose that a foreign minister must have optimism. However, I think it is the duty of an opposition, in the face of an optimism that is thought not to be fully realistic, to point out the situation as one sees it. I am not suggesting that the government of Canada or the minister, by their diplomatic efforts alone, can correct the situation. Obviously no one has made that claim. I am simply saying that from my own analysis of the situation—and I have been in the terrain and know the personalities involved—I do not share the confidence which the minister has in the situation.

He will recall having complained in this House of Commons, and properly so, about the inadequate air equipment, and the like, of the commission for the prosecution of its assignment which was, among other things, to see that there was a cease fire. Even at this late date the minister has indicated to the committee that there is a continuation of this problem of inadequate equipment. That situation, of course, arises not because Canada or the minister wants it to be the case but because there is on the part of someone a lack of co-operation which makes the work of the commission ineffective. I think the minister gave the basis for the complaint that exists, namely that the Soviet union and others are not interested in seeing an effective operation by the commission. That, of course, in itself is a serious matter. What I am saying is this. While one must not overstate a case, it is the duty of an opposition to anticipate. In this particular area we are seeing an operation that is causing concern and it will continue to do so unless there is an improvement through future developments. As long as the parties are talking in Geneva I do not suppose much that will be fundamentally damaging will eventuate.

All I am saying is that the protracted discussions indicate the importance of Indo-China in the continuous effort of communist penetration taking place. I am not saying that we are losing at every point. I am not saying that the Soviet union is gaining at every point. I am not saying that it has not its adversities, drawbacks and failures. Of course it has. But what I am saying is that in this particular area, one of the vital areas in Asia, we are confronted with a situation which is part of these

various crises which confront us from time to time. Now it is Berlin. Tomorrow it will be somewhere else. Some day I am sure this particular situation will be another one about which we shall be registering our complaint against a policy of increasing illegitimate spheres of influence on the part of those who wish to impose the communist way of life on the rest of the world. I am not blaming the minister. I am not blaming the government. These are situations that have causes beyond the power of any one government to resolve. However, I do not believe that the situation in Indo-China is one that warrants the optimism of the minister. The minister will recall that two years ago he told us in this House of Commons that great progress was being made in disarmament. He did almost everything he could in that field, of course. We all know that. However, no great progress is being made in disarmament. It is well that we should look realistically at the situation so that we are not fooled by policies which may lull us for the moment but which eventually only play into the hands of those who se purpose it is to cause us to be complacent.

I speak thus not by way of criticism of the minister or of the government but to point out what I believe the real assessment of this situation should be.

Mr. Green: I am very glad the hon. member tried to prove his case by referring to the question of disarmament. The idea seems to have been circulated that I am down in the dumps in regard to disarmament and have given up hope. Nothing could be further from the truth. I think the actual fact today is that because of the increased tension over Berlin and because of these nuclear tests millions upon millions of people around the world have decided their lives are in danger particularly from radiation. I believe the results will be a much greater urgency to the bringing about of a disarmament agreement at the next session of the general assembly of the United Nations than there has ever been before. There is not much point in giving up because that will not help anyone. What we want to do is stop this nuclear arms race which is becoming steadily faster.

While the unaligned countries at Belgrade last week may not have gone all out in their criticism of the Soviet union for conducting nuclear tests, their judgment in so doing has been to a degree backed up by the fact that within a very few days the United States announced its intention to conduct a nuclear test.

I have here a resolution passed by the unaligned countries on disarmament which reads as follows:

The participants in the conference consider that disarmament is an imperative need and the most urgent task of mankind. A radical solution of this problem, which has become an urgent necessity in the present state of armaments, in the unanimous view of participating countries, can be achieved only by means of a general, complete and strictly and internationally controlled disarmament.

As I said the other day there is a new disarmament plan which I think is very important, and which may well make quite a difference to this whole situation. There will be an opportunity in New York within the next few weeks to mobilize world opinion against this nuclear arms race.

I do not wish to do any boasting here today but from the time of the second world war Canada has taken her full part in trying to bring about disarmament. Certainly during the last two years we have been in the forefront in taking action of this kind, and I believe there is a reasonable chance that there will be some success at the coming session of the general assembly. Certainly we will do the best we can to mobilize world opinion on this question.

It is very heartening to realize that we have the support of both opposition parties. I know there is not one member in this house on the government side, in the Liberal party or in the New Democratic party, who will not be behind us in this effort. I am not suggesting we will succeed. After all, Canada is not running the world yet, but we will do what we can. I hope there will not be a lot of Jeremiahs and crape hangers here in Ottawa, not only in the House of Commons but in the press gallery as well, continually ridiculing what we are trying to do. This issue may involve the whole future of civilization and it is much too serious a proposition to have doubting Thomases all over the place. For goodness sakes, let the duly elected leaders in Canada sitting here in the House of Commons realize that fact. If people outside wish to do a lot of calamity howling, let them do it, but here we must keep our chins up and do the best we can to meet this situation.

I have a report of a speech made by general of the army, Douglas MacArthur, in Manila early in July which gives me great encouragement. General MacArthur in my judgment was the outstanding military leader of the last war. First of all he defended the Philippines and then fought his way back and throughout gave wonderful leadership. There has probably never been a better general in the history of warfare. The following is his statement:

General MacArthur said the advances in military weaponry have destroyed the possibility of war

being used as a means for settling international differences. He said that if global war could be outlawed "it would mark the greatest advance of civilization since the sermon on the mount".

If there is one thing the peoples of the east and west share, it is a desire for peace, he continued. But, he added, the constant acceleration of the preparations for war may, without specific intent, precipitate "a cataclysm of destruction".

General MacArthur said the world's leaders "must have sufficient imagination and courage to translate the universal wish for peace".

That is the aim of the Canadian government.

Mr. Pearson: Mr. Chairman, I do not think anyone would wish to underestimate the importance of the minister's determination and optimism in this matter of disarmament. While the difficulties seem to be greater than they were, I do not think any of us fully realize that as difficulties become greater, there is more incentive to greater action for their removal. There is no doubt about that in our minds. Of course we have to be realistic as well, and the words used by General MacArthur, which have just been quoted—the fact that nuclear weapons have destroyed the possibility of war—merely meant they have destroyed the possibility of war in the minds of sane persons in the sense of war settled nothing. But the minister himself told us the other day that we were on the brink of nuclear war and destruction. That is why some of us feel a little depressed about the situation, as the minister no doubt does himself, not as a reason for sitting back and doing nothing, but as a reason for moving forward in an attempt to do more. I know the minister and our delegates will do what they can at the United Nations along these lines.

The specific item with which we are dealing has to do with Indo-China and control of the commission there in Laos. In this regard it is not easy to be optimistic about progress. The minister has referred to the difficulties of acquiring equipment to assure the function of the commission. I find it impossible to believe that this can be an insurmountable difficulty. If the will to make progress is there, there should not be much trouble finding equipment. Canada could itself supply the equipment which is required for this commission. The difficulty in respect to equipment, I am sure the minister will agree, has been manufactured or at least exaggerated by those who have other reasons for holding up progress in this matter. What worries us on this side, as I am sure it worries the government, is the possibility of these discussions in Geneva being used as a screen behind which the communists can build up their strength in Laos so that when the time comes to break up the discussions it will be very hard to get them out of Indo-China and Laos. That is what worries us.

Mr. Green: As I pointed out to the hon. member for Essex East it was very difficult to get them out last May when the conference commenced. It cannot be harder to get them out than it was when we met in Geneva then, because the situation today is a great deal better than it was at that time.

This whole area may blow up. I cannot guarantee for a minute that it will not, but I think there is a reasonable chance that some settlement will be worked out.

Mr. Pearson: We hope the minister is right.

Item agreed to.

82. Relief and repatriation of distressed Canadian citizens abroad and their dependents and for the reimbursement of the United Kingdom for relief expenditures incurred by its diplomatic and consular posts on Canadian account (part recoverable), $20,000.

Mr. Martin (Essex East): Can the minister say whether or not there is any Canadian property formerly owned by Canadian religious bodies that has been taken over by the government of Cuba and for which no compensation has been paid?

Mr. Green: Is the hon. member for Essex East referring to properties in Cuba?

Mr. Martin (Essex East): Yes. My hon. friend will recall that before the summer recess a group of religious sisters left Cuba on arrangements which the minister and our mission there had been able to effect. I did read afterwards that the convent which they were occupying had been taken over by the government of Cuba.

Mr. Green: I do not think that was a Canadian order; I think it was a Spanish order. We have had no complaints from Canadians about the loss of property in Cuba. We have had no complaints from religious bodies.

Mr. Chevrier: A community of nuns has come back from Cuba quite recently. I understand they have property there. What has happened to it?

Mr. Green: We have had no requests in connection with any such property.

Mr. Chevrier: Are there any Canadian missionaries in Cuba now?

Mr. Green: There are a few, and they are doing splendid work.

Item agreed to.

83. Canadian representation at international conferences, $321,500.

Mr. Jones: I should like to make a couple of remarks in connection with this vote for Canadian representation at international conferences, particularly in view of some of the comments that were made earlier today and in the past few years. I think it is necessary that our representatives at international conferences, particularly in their relations with the communists, understand one of the elements of the struggle which is going on.

I think it is quite obvious from what the hon. member from Kootenay West said today when he characterized the problem of Berlin as being a crisis over Berlin that apparently he does not appreciate what the real crisis is. It certainly is not over Berlin, it is over the struggle between the communists and the democratic world.

We have now the new leader of the New Democratic party, the premier of Saskatchewan, vacillating in his advice to the country. Two years ago he said we should be in NATO. A year ago he said we should be out of NATO. Now he says we should remain in NATO only as long as NATO does exactly what we say. This sort of advice betokens lack of understanding of the serious challenge which faces us from the communist forces.

There is one thought that I should like to place on record in regard to our general approach to the communist challenge. In the last few years great emphasis has been laid on the western responses to Soviet initiative. Often one hears that the west is losing the propaganda war, and assertions of a like nature, implying the conclusion that if we lose the propaganda war we will have lost to communism. I want to make it clear, Mr. Chairman, it is my view that no one can seriously contend that we are losing in the realm of ideas. Certainly, there has not been a single country in the world which had adopted communism by a free vote. There is not one government in the world which has had the misfortune to fall to the communists which has ever given its people the opportunity to vote itself out of communism. These are very well known facts but their significance to the communists is perhaps not as fully appreciated in the non-communist world. We sometimes think that by stating these facts the communists will feel abashed. In truth they do not feel abashed at all and the reason they do not feel abashed is to be found in the basic fundamentals of their creed. The communists basically do not hope to achieve their end by persuasion. They do not hope to achieve their end by argument. Communism, and this runs all through their creed, is based on force. Hon. members recall Lenin's statement on this subject:

> Communism is the dictatorship of the proletariat, unrestricted by law, and based on force.

This has continued to be basic communist doctrine right down to the present time. The recent draft summary of the program of the communist party of the Soviet union which was sent to all members by the U.S.S.R. embassy in Canada restates the emphasis on force in several ways throughout its pages. I should like to draw attention to a statement on page three of this draft summary. It reads:

> The practice of the world's greatest revolution and socialist transformation of society that has achieved unprecedented heights of development and advance, has confirmed the historic correctness of Leninism and dealt a smashing blow at the ideology of social reformism.

In other words, they say revolution is the means which has proved to be triumphant and it has dealt a smashing blow at reform, evolution, and that they say confirmed the correctness of the earlier statement of Lenin that I quoted.

Communism is based on force. It gains power by force. It maintains its power by force. This is an assertion with which most people will readily agree. The corollary of this does not find such ready agreement. The corollary is simply this, that propaganda, persuasion, though of importance in the communist armoury, is nevertheless of secondary importance in their thinking. They use force when they can get away with it. They use threats of force when they think that force itself is too risky and they use propaganda in between times, sort of like the ball players of a ball club talking it up until they get the ball again.

I submit there is importance in recognizing that propaganda to the communists is secondary and is not used chiefly for the purpose of proselytizing but rather as an adjunct to force, that propaganda with them is secondary to force, secondary to threats. Threats of force in undermining the will to resist of anybody who opposes them may not seem significant, but I think it is, and it probably explains Hungary and the recent nuclear explosions in Russia. The Prime Minister described those latter explosions as being contemptuous of world opinion and that statement could have been made about the earlier use of force in Hungary. In fact, as the communists' opportunities for gaining adherents diminish in the world, as they will in the western world and elsewhere where living standards are rising very rapidly, they will be able to rely less and less on propaganda. The old rallying cry of the communists used

to be: "Workers of the world unite; you have nothing to lose but your chains". Obviously this cannot be so these days. This is the very point where the communists have failed most miserably, in helping the common man. It is the workers they have failed chiefly above everybody else. Here in the second decade of the second half of the twentieth century the standard of living of the Russian people, for example, and the others are even worse, is far behind ours, behind that of the United States and of western Europe even though they have greater natural resources, more people and more land than Canada and the United States.

I should like to remind the committee that there was something in Russia before 1917 and that other nations have rebuilt since 1917 to a far higher standard of living than the Russians have. The communists have failed to help the ordinary people. I think this is emphasized dramatically when one realizes that a person on unemployment insurance payments in this country gets more than the majority of working Russians—a person in receipt of social aid gets more than employed Russians.

Not only have the communists not been able to feed and clothe their people by twentieth century standards but in addition they have not given them freedom either. I suppose you could imagine somebody throwing back their phrase to them and saying, "Communists of the world join in free enterprise; you have nothing to lose but your chains". They would have a better opportunity to do so, of course, if they could get out of their countries, but the point I want to emphasize is that they have failed most significantly in the very areas of human endeavour where success would have helped them to persuade. They have deliberately concentrated their efforts in fact in those areas of human endeavour which help them to intimidate, threaten, bully and enforce by force communist rule. They have in fact placed guns before butter, fear before food and force before freedom. These things are of the essence when you consider dealing or treating with them, when we send our representatives abroad in order to meet the communists at international gatherings and when we try to lead them along the path of reasonableness.

I was much impressed by the remarks of the hon. member for Greenwood the other day when he said that if we stick to it long enough perhaps they will lose their stimulus to aggression. We must stick to it in the meantime and never forget that at this time as in the past they rely chiefly on force. Therefore we must remain strong while we shift our response to their propaganda from the day-to-day meeting of their propaganda utterances to an exposition of communism and an assertion of the positive values of the way of the western world in providing that happy combination of prosperity and freedom which it has been our good fortune to enjoy.

Mr. Pearson: Mr. Chairman, does vote 83 cover all the international conferences to which we go during the year, including United Nations meetings? Does it cover all the expenses for Canadian representation?

Mr. Green: Yes.

Mr. Pearson: So the total rental we pay for accommodation at all our conferences during the year is $18,000. Is that correct? I am looking at page 181 where the details are given. They show that last year travelling expenses of Canadian representatives were $255,000. Presumably that included not only their travelling expenses but also their meals, accommodation and so on. Then there is a figure for rental of $18,000. Does that cover rental of all the space we use at all international conferences including the United Nations assembly, where I suspect we have to take a good deal of space in hotels?

Mr. Green: In the case of the delegation to the United Nations, for example, they would use the regular office of our permanent representative, and this rental of $18,000 apparently is only for odds and ends of accommodation. For example, in Geneva we have a villa for an office now. It is not half as good as it sounds. Various nations have villas in the suburbs. The grass is very long and there is a cow in the next field. I presume that this $18,000 would cover accommodation of that kind.

Mr. Pearson: But it does not cover hotel accommodation for delegates at meetings?

Mr. Green: No.

Item agreed to.

86. Gift to commemorate the sesquicentennial anniversary of the republic of Mexico, $3,500.

Mr. Martin (Essex East): Would the minister tell us what was the gift given by Canada to commemorate the sesquicentennial anniversary of the independence of Mexico?

Mr. Green: It was a splendid totem pole from British Columbia.

Mr. Martin (Essex East): I am surprised that a totem pole from British Columbia cost $3,500. I do not think we should measure our gifts in dollars but I notice that the next item, the gift to Nigeria, bears a higher amount. I am not complaining about that but I should like to know what that gift was.

Mr. Green: The gift to Mexico was on the occasion of the one hundred and fiftieth anniversary of their independence. The gift to Nigeria was for their independence day and it consisted of Canadian books.

Mr. Pearson: Does the minister know what has happened to the totem pole?

Mr. Green: I know we have had a lot of trouble arranging to get it carved. I think it is not yet finished.

Item agreed to.

External aid office—

88. Salaries and expenses, $525,923.

Mr. Pearson: Mr. Chairman, this is a vote of $525,000 for the external aid office which is an increase of $70,000 over last year. Could the minister tell us something about the work of the office and whether it has succeeded in co-ordinating and bringing together all the activities of the government in so far as their administration is concerned in the field of international economic assistance?

Mr. Green: External aid formerly was divided among several departments, namely, the Department of Trade and Commerce, the Department of Finance and the Department of External Affairs. A committee of senior civil servants studied the situation and reported that it would be much more efficient to have one external aid office reporting directly to the Secretary of State for External Affairs. That was done last fall.

There was a great deal of work in setting up the office, but I am very pleased with the way in which it has been functioning. As the Leader of the Opposition knows, Mr. Moran is the director general of the external aid office. He came from a posting as high commissioner in Pakistan. I think there is excellent work being done.

Mr. Pearson: I do know Mr. Moran and I think he is a very good man for this particular post. I know how efficient he is. I think it is an improvement over the previous situation to have the foreign aid co-ordinated in one office. This should make for efficiency and also for economy of administration.

Am I to take it that because of this development, which I think is a good one, all the recommendations to the government for foreign aid, the allocations for foreign aid, the responsibility in so far as officials are concerned for negotiations on those allocations, now go through this office to the minister and from the minister to the cabinet? It is all centralized in that way?

Mr. Green: There is an advisory board made up of the representatives of the three departments I have mentioned. Then, they make recommendations through the director general.

Mr. Martin (Essex East): This would be a convenient item on which to say something about the principle involved in foreign aid. Canada has, of course, been a member of the Colombo plan from the very beginning. Since that time we have extended assistance to the West Indies, to certain countries in Africa under the special commonwealth African aid program, and we have likewise provided technical assistance under United Nations operations, and in other ways have given assistance to underdeveloped countries. There is a drive now under way, as the minister of course knows much better than I do, in the United States in particular, for increasing contributions on the part of nations that have been giving aid and nations that have not been giving assistance to underdeveloped countries. The President of the United States in his address in this house and in his inaugural speech, emphasized the growing awareness of the United States of the necessity for assisting underdeveloped countries on an increasing scale.

The United States government has, indeed, been seeking to persuade, and publicly, countries like West Germany and Japan to take a greater interest as donor countries in assistance to underdeveloped areas. I have recently been examining a publication prepared by Professors Millikan and Rostow, both of M.I.T., the latter now being one of the president's advisers, in which this whole problem is pointed up in an emphatic way. Their thesis is, of course, that in the light of the gross national product of certain countries, not enough assistance has been given by such countries to underdeveloped areas. The minister undoubtedly knows this publication. If he does not know it, he certainly knows the kind of thinking that now prevails in certain quarters, particularly in the United States.

Included among the countries regarded as not playing their full role is Canada. Canada is listed, I think, even below West Germany among those countries that did not give of their gross national product in proportion to other countries. This idea is going to receive increasing attention. It seems to me that it would be helpful if we could have from the minister some indication of the government's thinking in this particular. I am not seeking to be critical of the government because this program had its genesis under another administration. Looking at this problem objectively, I think one would want to know what recent thinking has meant. Are we going to make a real attack on poverty outside our

own borders as well as at home. There has to be an increasing realization by countries who have been assisting underdeveloped areas of the need for an increase in the amount of their contributions.

The hon. member for Greenwood, of course, in the speeches he has made in this house has given us a lead, although he has not particularized the extent of the assistance we should provide in anything like the way Professors Millikan and Rostow have. We are all familiar of course, and the hon. member has helped familiarize us with the thinking and writing in this regard of Miss Barbara Ward who feels that the technique used in giving assistance under UNRRA might be used. In this way the total amount of foreign aid that is practical could be reached. Now, we are far short of her total figure. I am not now arguing for any particular figure for Canada, but it does seem to me, in the light of the thinking that is now going on particularly in the United States, we will not be able to escape a careful re-examination of the problem of foreign aid.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at 7.30 p.m.

Mr. Martin (Essex East): Mr. Chairman, I should like to finish the train of thought I had just before the adjournment. I had just concluded indicating what appeared to be the attitude being taken, particularly in the United States, with regard to increasing, perhaps on a more rationalized basis, the assistance now accorded by well-known donor countries to underdeveloped areas.

I had said that in recent publications which obviously support the administration in the United States it has been suggested that certain countries, in relation to their gross national product, were not bearing a proportional responsibility for assistance to needy countries.

I do not believe, given all the facts and having in mind the various headings under which assistance is given both here and in other countries, Canada need feel it has shirked its responsibility. But I believe this matter is going to compel itself more and more upon us, as well as on other nations. We all recognize that in the interdependent world in which we live one of the instruments by which peace will be maintained, short of aggressive intentions and acts, will be by recognizing that other countries have to be given an opportunity to enjoy a higher standard of life through improved literacy, stimulus of the productive processes of their economic systems, and the like.

It is not without significance that one finds, apart from governments, writers, students and zealous individuals reminding us that in this kind of world we are indeed our brother's keeper and that only by recognizing this fact will we be able fully to contribute to the existence of peace in the world.

The crash program offered to Latin America by the President of the United States, for instance, is only one example of the new thinking, the shift in emphasis and the leadership that is being provided. I mentioned declarations made by various leaders in different areas. I single one out, not because he is the only one to have done so but because his pronouncement was the last one of great significance. I refer of course to the recent declaration of Pope John XXIII in his encyclical, in which he reminded not only his own adherents but the people of the world of our common responsibility to help other countries.

This is a problem which is not as easy of solution as many people suggest, because we have problems at home, as have other countries. We have unemployment; we have other problems of a domestic character that demand attention. It is not easy for governments, in the face of such difficulties, to discharge what I know the Secretary of State for External Affairs of Canada recognizes as an essential direction that Canada must pursue.

It is true that we paid special attention recently to the request that came from the Prime Minister of India with regard to an accelerated form of assistance to the third five-year plan of India. In that connection we recall that Miss Barbara Ward, who has written so knowingly and brilliantly on these matters, has suggested that in the interests of world peace priority should be given by the donor nations to assisting India in the herculean task that lies ahead in the prosecution of her third five-year plan.

Canada has joined with the United States, and I believe the United Kingdom and France, in providing further assistance to India in this regard. That of course was a step which we commended in this house. I know, in the examination of this problem, that particularly in the United States, again, considerable attention is being paid to the methods employed in the administration of the funds being provided for needy countries.

Professor Galbraith, now the United States ambassador in Delhi, recently wrote a useful memorandum which I think is made public in the *Foreign Affairs* magazine. He outlined that there was not only a need for recognizing the increasing magnitude of this problem

and the responsibility thereby imposed on countries like Canada, Great Britain, France, West Germany, Japan and others, but it was also necessary to realize that while these funds would be necessary on an increasing scale to assist underdeveloped areas, some tighter form of administration should be employed to make sure the best use was being made of the assistance given. He lists priorities of regions of the world or of countries in those regions. For instance, he mentions that much money could be wasted by ignoring the lack of certain factors in certain countries that require assistance. I am sure the minister has borne in mind all of these things. He is undoubtedly much more fully aware of them than I am. However, I mention them because I believe we are now entering a new era of assistance to underdeveloped countries.

Over the week end I noticed that the President of the United States is about to invite, so it is said, a prominent and able financier in the United States to take charge of a program of foreign aid assistance of that country, based on recommendations which have been made by Mr. Labouisse who has done so much in the United Nations when on loan from the United States state department, and now serving his country in Washington. The plans envisaged, according to the report, flow from his recommendations. They support the thinking that I detect in suggestions made by Professor Galbraith and others. In any event I am sure the minister will be the first to recognize the importance of this kind of effort in confronting the terrible situation that faces mankind at the present time. Altogether apart from the exigencies and the dictates of their own foreign policies, the western countries particulary, through the Colombo plan, have shown an objective interest in assisting other countries. We have been an original member of the Colombo plan organization for some time but, as I see it, we are now entering a new area of legitimate pressure to take an added load of responsibility. I am sure that the government is giving this matter careful consideration.

In making the remarks I have made today on this subject I have not had in mind any basis for criticism. I realize only too well the difficulties involved. However, it would be reassuring to know from the minister at first hand in this House of Commons, what the government's views regarding these matters are, as I think large sections of our people are interested in this problem. Does it share the general view taken by the present administration in the United States? Does it share the view that an examination should be made of the extent of contributions made by various countries as stated in the publications I have mentioned? What is the expectancy of trying to meet these further suggested contributions that are being proposed by so many private individuals like Miss Barbara Ward and more particularly by those in office today in countries that have been providing this assistance to underdeveloped areas? This is a problem that I know is not easy of solution. However, it is one we face and one from which we cannot shrink; and I am sure it is one that, over the years, will indicate the appreciation we have had of the nature of the problem which faces mankind at the present time.

Mr. McGee: I should like to raise on this particular item a few points having to do with the external aid office. Some of what I have to say will be in part repetition of matters I raised during the deliberations of the external affairs committee. However, before I begin, I cannot resist saying that I am waiting with fascination, after this afternoon's discussion, to find out whether the hon. member for Essex East has decided whether he is an optimistic pessimist or a pessimistic optimist. I hope he will let us know what his choice is in this regard before the conclusion of the discussion this evening.

I should also like to say that I congratulate the Prime Minister and the Secretary of State for External Affairs on the type of leadership they have provided in this whole debate and in this whole period of crisis and international tension that is upon us. It is refreshing to find a clear and concise statement of policy being made and being heard and understood by the people of Canada.

Having said that, one can hardly avoid mentioning the hon. member for Greenwood when one is discussing external aid. The service the honourable and distinguished gentleman has rendered to this house in the last few years in espousing the cause of the effectiveness and in fact the necessity of aid to the underdeveloped and uncommitted countries of the world cannot be overestimated or too highly praised. However, in these last few years—and I feel I am getting to be a bit of a bore on this subject—I have been trying without too much success—and I must add quickly "with some success"—to extract from the Department of External Affairs and in particular from the external aid office some visual representation of the program upon which Canada has embarked and proposes to embark in the future, something which can be taken by those of us who served on the committee and those of us in the house who are interested in this phase of external affairs and by means of which we can—and I suppose I am obliged to use the word—sell this program, this idea, the urgency of this type

of thinking and the type of foreign aid program we have, not only to our constituents but to the people of Canada at large. There are many of us on the committee and there are other members in the House of Commons who are willing and anxious to do this missionary work. The minister has done a tremendous amount, as has the Prime Minister, the hon. member for Greenwood and others, in carrying this message in a general sense to the people of Canada. However, there are those of us who are willing and anxious to help in this work and we are most anxious to get the material which we can take to interested groups in our constituencies. I shall have something more to say later about the type of material I have in mind. It would be helpful if this program could be accelerated and this material could be placed in our hands with as little delay as possible.

During the discussions on the foreign aid vote in the committee on external affairs the witnesses before the committee, and Mr. Moran in particular, underlined the difficulties and the complexities that confront any government, particularly one in the northern hemisphere, in providing the type of aid needed in the form in which it is required by the recipient countries. There are difficulties of having available here the type of expert required with the type of expert knowledge which has the highest priority in the system of needs established by the nation requesting this assistance. This provides not only a challenge to the foreign aid office itself but to our universities and in a larger sense to our business and industrial communities. The type of expert assistance required in many foreign aid areas can only be given by those expert individuals urgently required by industry and business in general in this country. I suggest this situation provides a further challenge to the industrial community of this country.

These industrial communities are now faced with competitive price and production challenges and are responding to urgent government requests to meet the increasing competition for our traditional markets. We have already seen evidence that there is progress in this regard. However, the challenge must not only be to serve our national interest but to relinquish from time to time these skilled individuals in order that they may move to those underdeveloped countries to perform the tasks which must be accomplished there. From my personal experience in dealing with many individuals in this country there is an expressed desire to participate in this aid field. As was indicated during the committee hearing, many individuals have the desire but not the skill or, on the contrary, have the skill without the desire.

[Mr. McGee.]

I suggest there are two facets involved in the solution to this problem. The first lies in the need of a long range program of the type we have heard announced in the United States by President Kennedy, encompassing a five year term of foreign aid. This program has been successful to a certain degree and is certainly a long range plan which will not be terminated after two or three years before its effectiveness has been accomplished.

The problem with which we are faced regarding this aspect of our program has reference to the expert assistance most required by recipient countries, which for several reasons is not available for one, two or more years. I feel that in addition to the sense of urgency which exists among the personnel of the department there should be a sense of urgency in respect to co-operation by other departments of government.

The public accounts committee discussed the Canada council scholarship program. That is something which will be under way over a fairly long period of time. However, there is a choice with respect to sending experts abroad to recipient countries or bringing individuals from those countries to Canada for training. I will have more to say regarding the problems involved here, but this is a challenge we must meet.

The Canada council has through its scholarship program offered great assistance to many individuals in the field of culture, but there is one individual studying fourteenth century wills in England. While this may be a tremendous advantage in the way of cultural development I suggest there must be a system of priority and emergency regarding the designation of the types of fields to be undertaken. Certainly in this world of today, faced with the compelling challenge of communism, the emphasis should be switched from the study and interest in fourteenth century wills to engineering, tropical agriculture and other faculties which lend themselves to humanitarian aid to the underdeveloped countries which is, after all, a long range challenge to democracy. There should be co-operation in government activities to assist in the training of individuals in logical and effective skills in order to help in the development of these countries.

Regarding the method of communication of this message to Canadians at large on as extensive a basis as possible, it is my understanding there are five thousand students from Asia, from Africa and the West Indies studying under one auspices or another in Canada, and who upon their graduation return to their respective countries. I suggest this is one area which represents a real challenge to Canada.

It has been stated today and on previous occasions during this debate that the west always responds to the activities of the communists—the communists act and we react, having lost our initiative. I suggest in a sense it could be argued that we have lost our initiative in the same way a dog has lost initiative until the flea bites him. However, I feel the problem is more profound than that.

It seems to me in this area a unique opportunity is provided for Canadians particularly around university cities. As I have indicated, there are approximately five thousand young men and women coming to Canada from Africa, from Asia and the West Indies and other similar areas. It is the flavour of democracy which they acquire during their experience here which will be of greater value to Canada and certainly to the cause of democracy generally than perhaps many of the millions of dollars spent in other ways, of which we will hear more later this week.

These young men and women will return to the countries of their origin and will become beyond any shadow of a doubt the leaders and members of the corps surrounding the leaders which will guide their respective nations to their ultimate destinies in the coming generation.

This surely represents a challenge to Canadians which I am sure has already to some degree been accepted by groups who are actively sponsoring students in this country. The universities as well as other non-university organizations have done a great deal in this field through providing facilities by which those individuals can meet with Canadian students. I feel that much more can be done in this direction by inviting these students from the universities into our homes and communities in order that they may see something of democratic society rather than strictly classroom activity in Canada.

I am proud to say that when this question was raised in the external affairs committee an important statement was made regarding the necessity for co-operation and assistance of the Canadian public at large, and that when I returned to my constituency, having contacted six or seven organizations and outlined the magnitude of the problem, I discovered each and every one of these organizations either undertook to bring the problem to the attention of their executives or, as my own service club indicated, something is being done in this regard at this present time. I feel this is of tremendous advantage in showing these foreign students something of the fibre and character of our democratic society.

As I suggest, this is being carried on by university women's groups, women's auxiliary groups, church groups, service clubs and others. I am convinced there are many others who would co-operate and continue to do so in the same way after being convinced of the necessity and importance of this type of progress.

As I have said earlier, this field represents a challenge we as Canadians certainly can accept. By continuing the good work in this direction, already to no little extent commenced, we can provide the bulwark of education in democracy and counteract the propaganda on the part of the communists. The flavour that these young people take home with them will not only represent the flavour of Canada but that of democracy as well. It is unfortunate that in certain cases we have failed in the past. I hope by offering an example without naming the particular location it will help to underline the problem without incurring any criticism.

It is a fact in recent years a girl student from Pakistan spent three full academic years winter and summer in one of our major Canadian cities. At no time in that three years had she been invited inside a Canadian home. I leave it to the hon. members to ask themselves this question: had they been in a similar situation and studying in a foreign land what would be their opinion after three years of that kind of treatment?

Mr. Morris: I am sure hon. members will have taken careful note of the remarks of the Associate Minister of National Defence and one of the members for Queens, Prince Edward Island, on the first item of these departmental estimates, which derived in part from their recent attendance as observers at the meeting of the inter-American economic and social council at Punta del Este. What I have to say on this item is to be very brief and is intended in no way to be competitive with the suggestions they made with respect to the deepening and broadening of Canadian contacts with Latin America. However, I did feel that the want of some reference in the debate on the estimates to another area in which Canada has had deep and abiding connections might all unintentionally be taken as an indication of lesser concern among Canadian members of parliament. I refer to the West Indies.

During the past few years Canadian aid to the West Indies has operated under a program of assistance which was set up to cover the period from April 1, 1958 to March 31, 1963. The sum of $10 million was allocated by the government for expenditure during this period. A major part of this money, about $6 million was spent on two ships requested by the West Indies for interisland trade, the *Federal Maple* and the *Federal Palm*. The *Federal Maple* is now in service

in the West Indies. I had the pleasure of seeing her arrival in Port-of-Spain less than a month ago. Other projects under the Canadian aid program include the spending of a million dollars on the construction of a dock in St. Vincent. Equipment for harbour facilities is being provided for several of the smaller territories. As Canadians we shall also be carrying out a natural resources survey in Dominica and we shall be providing some $50,000 worth of equipment for a technical school in the lovely island of St. Christopher.

In the area of technical assistance a wide variety of experts from Canada has been sent to the West Indies. Their interests have covered a very wide range, from banking to teaching, and from postal service to public works, particularly in the field of housing. On the other hand, trainees have been sent to Canada for experience in public administration, in fisheries and in other fields of public endeavour. These are all in addition to the students qualifying for scholarships under the commonwealth scheme.

At the present time a joint survey is in progress in which Canada is participating with the United Kingdom and the United States to ascertain further needs of the smaller territories of the West Indies which have now set May 31, 1962 as the target date for their independence and their achievement of dominion status.

We in Canada intend to use a substantial portion of this aid program of $10 million, about $1½ million of it, in assistance to the smaller territorial islands which compose the West Indies. The University College of the West Indies has been promised assistance. This will take the form of a residence for engineering students.

May I make this earnest suggestion to the Secretary of State for External Affairs who has the highest regard for and interest in the welfare of the West Indies as he has in other areas and urge him to take into consideration the possibilty of a further program of Canadian helpfulness to the West Indies within the concept of commonwealth brotherhood.

Speaking as a private member, may I say I do not personally favour a fixed term or a fixed amount. I suggest that probably it is not within the Canadian tradition to travel about the world with a satchel full of money. Probably it is not within our competence and it is not our style. I think a better program would be one in which we would give a firm and clear assurance to the West Indies that, in the interest of our historic connection, of our common bond of government philosophy, government practices, government ideas and ideals, within the framework of our commonwealth brotherhood, we will not hesitate to bring before parliament measures originating in the West Indies, suggestions created in their own area, on which they desire our further assistance.

Mr. Green: Mr. Chairman, Canada's record in the field of external aid has been excellent from the start and in my judgment it continues to be properly described by that adjective. Mind you, in some ways we are an underdeveloped country. There is quite a difference between the capacity of Canada and that of some of the older countries, such as the United States, West Germany and the United Kingdom, to provide aid of this kind.

I was a little surprised to hear that some United States writers had been pointing the finger at Canada and had been saying that she should contribute more. That is not a very effective way of getting results. I would point out that I think that the Canadian aid has been quite a lot more effective in gaining friends for Canada abroad than has been the case with aid from some of the other nations which are now being a little critical of us.

We have been spending a great many million dollars each year for aid and I think that those payments have been supported by Canadians from coast to coast. Since I have been minister in this department I have heard very few complaints about Canada supplying aid.

Naturally we would like to get more money for the external aid office. The more money we can get, the better, because it makes our position much easier. We are able to make bigger fellows of ourselves and win more friends for Canada. But you know where the money comes from and we can only get so much.

Hon. members might be surprised to hear of the different ways in which we give aid. For example, under the Colombo plan there is an amount of $50 million a year, which is $15 million more than the former government gave—

Mr. Hellyer: There has been some inflation since.

Mr. Green: —for aid to Burma, Ceylon, India, Indonesia, Malaya, Pakistan, Viet Nam, Cambodia, Laos and indirectly to Thailand under the Mekong river project, and in addition there is technical assistance under that plan. Then there are the Canada-West Indies aid program, the special commonwealth African aid program, the commonwealth technical assistance scheme, the commonwealth scholarship and fellowship plan in which Canada is providing one quarter of the thousand scholarships which are given throughout the commonwealth, the United Nations expanded program of technical assistance to underdeveloped countries, the

United Nations special fund, the United Nations technical assistance training centre at the University of British Columbia, the Indus basin development fund, the international development association, the international bank, the international finance corporation, the general fund of the international atomic energy agency, the Manitoba technical assistance scheme, which is a new scheme in which the federal government and the government of Manitoba are co-operating, and educational assistance to French speaking Africa. That is quite a list of schemes under which Canada is providing aid.

We try to provide this aid in an efficient way. There is not a great lot of ballyhoo about it and no great publicity campaigns but I suggest to members of the committee that it is very effective and that Canada has no reason whatsoever to feel ashamed of the effort she is making in this worthy field. We will do our utmost as time goes on. There is no question of the government's not being anxious to help in these different fields. For example, we are now giving consideration to a type of Colombo plan in the Caribbean area. This would include not only the West Indies Federation but, probably, British Guiana and British Honduras. I do not know whether we can work that out but we would like to initiate some plan of that type.

It is very helpful to have the submissions made by hon. members in the house. These always have some influence with the finance department, and I am very grateful for the suggestions that have been made by members who have taken part in the discussion of this item.

Mr. Macdonnell: Mr. Chairman, I have already exposed the house to two or three speeches on this question and I shall not weary hon. members tonight. I shall be very brief but I did not want to miss the opportunity to put in my oar, however briefly.

I was happy to hear the recital by the minister of the things we are doing and which we know are worth while. I do not need to be told that the government is sympathetic. It is fair for us to remind the committee of the addition made to the Colombo plan and it is also proper for us to remind ourselves that the Secretary of State for External Affairs sometimes needs assistance in getting the moneys he would like from some other ministers whom we know and respect and whose duty it is to act as watchdogs. Accordingly I want to put on the record two or three things which have been said before, which are obvious but true, which are compelling and which if we disregard I believe we shall rue the day.

There are, of course, three obvious arguments which we have heard again and again for aid to underdeveloped countries. For the moment I am thinking about the east, India and the other countries of that area. First of all, there is the humanitarian argument. If these people were going to bed hungry just across the road from us we would not go to bed until we had done something about it. Second, there is the political argument which is that it is tremendously in our interests, indeed, it is vital to us, that these underdeveloped countries shall develop economically under free institutions and not under communist institutions. What we would feel like if we heard tomorrow morning that India had decided to proceed from now on under communist institutions I do not like to think. Then there is the third argument, the economic argument, which some people rather deprecate because it sounds as if we were doing it for our own interests. I have no objection to doing something in our own interests as long as it is in the interests of other people too.

I want to give two illustrations to show what can happen as a result of foreign aid. They have both been given in the house before. One is the case of a project under the Colombo plan to which we contributed $37 million. It is worth saying again and again, for the benefit of those people who think that such sums represent barrels of dollars shipped abroad, that of that $37 million 95 per cent was represented by Canadian employment. In other words, 95 per cent of what we sent was Canadian goods or services.

The other thing I should like to reiterate and which I do not think can be said too often has to do with what happened in 1946 when we lent $1¼ billion to Britain. At that time the then minister of finance used as his strongest argument the point that we were going to finance people who would make purchases from us. This they did in a big way. A very large percentage of that $1¼ billion was used to buy goods in Canada.

I have one other thing I want to say. When the matter of aid is brought up I often find people saying that the money is misused, that there is corruption and lack of wisdom, and that really what we should be doing is simply sending out teachers and so on. That of course should be done. I welcome what the hon. member for York-Scarborough said tonight. It was really heartening to hear what he had to say about the way his projects were taken up. I just want to make the point that we here can do so much to help ourselves as well as others by this project, by sticking to it, by

feeling that it is part of our job and by feeling that unless we go through with it not only the other people concerned but we ourselves are going to suffer.

Mr. Pearson: Mr. Chairman, this vote gives us the opportunity to discuss the general question of external aid. Perhaps by spending some time on it we may save time on the details of international economic assistance which are included in the following votes. I must say that I have some sympathy with the minister in his desire to discharge his obligations and the obligations of Canada in respect of international economic assistance. I know that he will get more trouble from the Department of Finance and the Minister of Finance than he will from the opposition in this regard because, however idealistic a view we take about our obligations in this matter and what we ought to do, we come up against the exigencies of domestic affairs and the desire of the Minister of Finance to balance his budget. As a result, these considerations of domestic policies, and this does not apply to any particular government at any particular time, perhaps have an effect on what we can do in the field of international economic assistance. There is always a relationship between what can be done in Canada for people who need help and what can be done for people in Pakistan who need help.

But the fact remains, Mr. Chairman, that in world opinion we are considered, and indeed we are, a fortunate, developed and rich country with a very high standard of living. We are expected, therefore, to play our part in bringing about a situation in the world where we will not have rich countries and slum countries, developed countries and underdeveloped countries. I do not know whether or not the minister agrees with me, but I have found that the use of this word "underdeveloped" in respect of countries that we are trying to assist economically can lead to serious trouble. Some of these countries that are now economically poor in relation to ours are far more developed in some other ways than we are. Some of these countries we are privileged to assist in the field of industrial development now had civilization long before we were even in North America.

When we talk about underdeveloped countries, therefore, we are thinking only of material underdevelopment. The fact remains, and I think statistics will show this, that in spite of the assistance which the richer countries have been able to give to some of the poorer, the gap between the richer and poorer countries rather than being remedied or lessened in the last 10 or 15 years, has perhaps increased. This is a sad commentary on planetary development. We still have, therefore, in our own country an obligation, along with other countries, to do what we can to change this process and to lessen that gap.

I have recently, Mr. Chairman, been attending a private and unofficial meeting at Oxford university on the subject of tensions which arise out of development. At this conference the majority of the members were from Asia and Africa, from what we call the materially underdeveloped countries. I found it extremely interesting to listen to them talk about their economic, their development problems and the tensions that arise out of these problems. They feel that we in the western world, in what they consider to be the more developed and more fortunate countries from an industrial and economic point of view, can do much to help them sort of leap out of their situation into one which I suppose it has taken the western countries a thousand years to develop. They want to do it in a few years, to leap out of a subsistence economy into an economy which will provide them with television sets and what they consider to be the advantages of a material civilization. They are going to try to do that in 25 or 30 years, and it has taken other countries 600 or 1,000 years to do it.

They are not going to be content with the slow progress of industrial development we have had to face in the western world over these generations. They do feel, whether or not they are right, that we owe them something in this regard because most of them were colonial countries. They have a feeling that what they call the imperialist colonial countries of the west, somehow or other held them up and if it had not been for colonial occupation they might have made more progress. I think that is a very dubious doctrine, myself, but that is the way they feel. They expect this help from us, therefore.

I got the impression, not only at this meeting but at other meetings I have had—the minister I think must have acquired the same impression—that the value of the kind of assistance we are giving them in these estimates, and for the year 1961-62 we are providing $61,122,445 of help, is not to be determined by the number of dollars we are making available but by the spirit and understanding we show in relation to their problems. I think Canada has achieved a very good reputation in this regard, not merely because of or primarily because we have been able to help them through this appropriation, but because we have shown in Asia and in Africa, an understanding of their problems and sympathy for their difficulties. You cannot estimate the value of this in dollars and cents. We give them this help, not charity. They are very sensitive about that. If we give them the feeling we are

doing something to help them, we do not get very far. It is not a matter of charity at all. They are very suspicious, and I am sure the minister knows about this, about help that is given to them in terms of the effect it will have on their association with us in the cold war.

We have made a good deal of progress in this regard, I think, in the last five or ten years, as I think the United States has. Economic assistance of this kind, if it is related to the cold war, is not going to do any good at all. The United States has had some rather disillusioning experiences. They have poured hundreds of millions of dollars into a country, and at the end of that time have found themselves more unpopular than before they gave anything at all. I think we have learned from that. I do not believe we can keep cold war considerations entirely out of economic assistance. I do not believe we could be expected, in Canada any more than in any other country, to give assistance to countries if that assistance is likely to be used against us politically. However, we cannot expect to get any results from economic assistance which is given to countries because we hope that by giving that assistance they will line up with us in the cold war. I think we have made a good deal of progress in the last few years in that regard. We help these countries because it is a good thing for us to do, it is a good thing for the peace of the world and because the world is one. Indeed, the world cannot exist half poverty stricken and half an affluent society.

In these discussions we have had during last week and which we have had previously, and the minister has attended a good many of them, there has been a good deal of argument as to how this assistance can best be given. Some of the items that follow this item deal with bilateral economic assistance and some of them deal with multilateral economic assistance. The general impression I got from talking to the representatives of what we call the receiving countries is that they would like to get their assistance on a multilateral basis so that there will be no suspicion of political strings attached. This is the reason we should undertake, whenever we can, to channel assistance through multilateral agencies, not by direct bilateral deals. I think, as realistic people, we must understand that while that is the ideal there is no possibility of the United States, for instance, and the United States is the greatest source of assistance in this field, channelling most of its aid multilaterally or through the United Nations. I think we have to accept that fact, that in a good many situations the most effective, the most practical way of doing it now is by government to government. In that kind of operation, we can only hope that there will be a minimum of political strings attached.

I think, as I have said, we have made a good deal of improvement on that account in the western world in recent years. I recall arguing, at this particular meeting, with one of the African delegates on this question of strings attached. Unfortunately, most of these representatives of new countries recently emerged from colonial status are unduly sensitive about this question. They are almost morbid in their sensitivity about this. Every time they accept something they have the feeling that perhaps there is a string attached to it. However, it is not difficult to point out to them that if you get any kind of help from anybody in any situation, there are strings attached. If you have a private loan from a bank there is a string attached. We who are contributing countries should do what we can to make as certain as possible that the aid we give will be used for constructive purposes. We do this in the Colombo plan because there are strings attached to our aid under that plan. But they are only that the money we give will be constructively used. Because we discuss this with the receiving countries there is no feeling of suspicion attached to that particular string.

As one of the African delegates said to me a couple of weeks ago, "It is bad enough to have aid with political strings attached, but it is much worse to have political strings without any aid." Perhaps that is true, but I think we have got through that stage now. We used this approach continually in our discussions. I cannot think of any better way of providing assistance, apart from the United Nations, which is the ideal way of doing it than through such schemes as the Colombo plan. But there are limitations of practicability which we have to accept as realistic people to multilateral help. However, apart from the United Nations the best way of giving this help is through projects, procedures and mechanisms such as we have worked out under the Colombo plan arrangements. There we have a kind of multilateral arrangement with bilateral conversations between the receiving and distributing countries.

We had a great deal of discussion about this in Oxford a couple of weeks ago. I do not think the Colombo plan countries who have received aid from the contributing countries have ever felt at any time there was any string attached to that aid which was not justifiable. I think that is the way it should be done.

Reference has been made to the fact that we are not doing as much in Canada as we should. Perhaps no country at the present

time is doing as much as it should. At this particular meeting in Oxford we did not pass any resolution but there was a feeling that every contributing country should give one per cent of its national income for international economic assistance. If we relate our contribution of $62 million to our national income we are well below that 1 per cent. I think that is a desirable objective toward which we should work. I do not know whether my hon. friend from Essex East will agree with me on this, but I am not too much impressed with the fact that we should have a level of 1 per cent right across the board. After all, we have the principle of graduation in income tax, and I think those who are the richest should accept greater obligations than those who are not quite as rich. But I have no doubt in the world that we can do more.

This is not a political matter because more is being done now than was done a few years ago. Our income has grown and so has our contribution to economic assistance. However I think we can still do a great deal more and I think we should do more, because after all $40 million, $50 million or $100 million which is wisely spent in international economic assistance in the right places at this time might do more to increase stability and security in the world than spending $100 million or $150 million on some forms of arms defence.

Therefore without criticizing the minister or the government in what has been done I express the hope—and I feel quite strongly about this—that perhaps we can do more in the future than we have in the past in making this contribution, not so much to assist other countries but to assist ourselves; to assist security and stability in the world. I wish the minister well in his conflict with the Minister of Finance in this field.

Mr. Herridge: Mr. Chairman, I had intended to say a few words along the line just expressed by the leader of the official opposition. There is no necessity for me to take the time of the committee to repeat what he has said, except to say that we wholeheartedly support the remarks he has just made with respect to external aid and his suggestions with respect to our actions in the future.

I have just now returned from a reception given by the high commissioner for New Zealand. Strangely enough, I had an opportunity to talk with several representatives of countries interested in this type of aid from Canada. What the leader of the official opposition said is quite correct. I have heard it repeatedly. They very much appreciate our methods in this respect. They appreciate the fact that there are no strings attached and they are willing to co-operate with us to make certain the money is expended to their best advantage. I think our record throughout the world stands very well and in this respect I think the department has carried on the traditions of this country very well indeed.

I think it was a very good move to bring this type of assistance under the administration of one head, that is, external aid. I think it has brought together the loose ends and will make for even greater efficiency in the future. In conclusion I wish to say that, like the leader of the official opposition, we hope we can continue to do more and more in this respect. I say this because we believe this type of assistance and a program of co-operation builds good will within and without the commonwealth and is the sort of sound foundation to lay for the building of peace in the future.

The Deputy Chairman: Shall vote 88 carry?

Mr. Martin (Essex East): Mr. Chairman, there is one other matter I wish to raise before vote 88 carries. I referred to it last Thursday when speaking on the first item of the debate that began that day.

I mentioned then that when the Associate Minister of National Defence was attending the recent conference in Uruguay as an official observer from Canada he had declared publicly that there was a necessity for extending economic aid to Latin America. I am not now suggesting a program, but when a minister of the crown takes publicly a position, I think it is incumbent upon him or his colleagues to indicate if he reflected government policy.

I believe that what the minister said a moment ago about the extent of our assistance was right. I think Canada is performing very outstanding work in the field of assisting economically underdeveloped areas. I observe the admonition of the Leader of the Opposition who so correctly stated that he thought we perhaps misrepresented the situation when we simply referred to underdeveloped countries.

The Associate Minister of National Defence made some very important observations. He said, for instance, as reported in the Toronto *Globe and Mail* on August 24, 1961:

> —Latin Americans need help financially and technically to keep them from going communist.

He said, *inter alia:*

> Their sympathies are with us now... We should keep it that way.

Then he said:

> The feature that struck me was that Latin America seems to be at the crossroads. Either they will advance and achieve prosperity and progress through democratic free enterprise, or some nations

—unless they find a solution to their problems—quite easily will fall prey to communist theories and methods.

These are very important words. They would be important from the mouth of any public man, but when they issue forth from one who holds a position in the government of Canada I think they call for comment in this house. Was the associate minister indicating that the Canadian government has plans to join with the United States in its program of economic assistance? It may be that we have to look at those areas in the world where we can give assistance. There certainly is a limit to what countries can do. I have certainly not suggested that we have reached that limit; I have simply pointed out what the Associate Minister of National Defence said. In addition to the important matter of assistance to Latin America, it raises another matter that is not unrelated. I have suspected that one of the reasons why the government was not prepared to join the organization of American states, altogether apart from the initial contribution involved in such membership, was that there would inevitably flow from it some pressure to extend to Latin American countries a form of economic assistance that is non-existent now as far as Canada is concerned. When this matter was discussed in April the Prime Minister had indicated that when the departmental estimates were before the house, it would be given an opportunity of expressing its views. One drew the inference that the government at that time would indicate what its intentions were with regard to joining the organization of American states.

Twice in this house, namely last Thursday and last April, I have stated—and the Leader of the Opposition last April expressed his view as well—that the time had come when we should join the organization of American states. The mere joining of that organization does not in itself create any obligation on our part to extend economic aid to Latin American countries. That is something that we must consider in the light of our responsibilities toward these and other countries. However, it seems to me that some time before this item is passed the minister might find it convenient to indicate what the government's intentions are with regard to the kind of declaration made by his colleague the Associate Minister of National Defence and whether or not the government has reached a decision with regard to what might be regarded as a corollary problem, namely the proposal that we have obligations to countries in the sister American continents as well as to countries which are joined with us for defensive purposes in other organizations and with whom we are associated in the United Nations for the purpose of trying to mitigate the causes of war and to preserve world peace.

There is in this country a strong body of opinion that believes strongly that, because of our ties with Latin America culturally, in terms of language, religious community of interest and other common participations, we owe to them and to ourselves an affiliation such as that which would come from membership in the organization of American states. I would put it on a political ground, namely that the problems of our hemisphere are now giving evidence of increasing acuteness and possible danger that will affect us as well as the United States. We have a special point of view and a special interest which, notwithstanding the difficulties, it seems to me could be discharged more effectively by our accepting that responsibility. That responsibility in itself does not necessarily mean embarking at this time on programs that may be regarded as being beyond our financial capacity.

I simply make one further observation in this regard. Whatever reasons there were in the past for non-participation or for non-membership, they do not seem to exist today. Commonwealth considerations or the attitude of the United States certainly are no longer valid reasons. Indeed we all recall the suggestion—and I am not now speaking of the propriety of it—made by the President of the United States in this House of Commons with regard to our membership. I am not saying that the President had no right to make that statement but I would have thought that, unless the matter had been cleared with the Canadian government beforehand, a more effective way of persuading us to join the organization would have been to refer to it possibly in talks privately with the minister over the tea table, if that is the kind of thing the minister has when he meets with a president around a table. In any event, I think this is an important matter and in view of the statement of the Prime Minister it would seem to me that there ought to be some declaration forthcoming from him.

Mr. Matheson: Before this item passes may I ask the minister another question, namely whether the devaluation policy of the government in any way affects the real value of our aid to these countries.

Mr. Green: The answer to the question asked by the hon. member for Leeds is no, Mr. Chairman, because the bulk of the money is actually spent in Canada. The hon. member for Essex East rather surprises me because he has become such a great enthusiast for Canada joining the organization of American states.

Mr. Martin (Essex East): Inspired by the leadership of the hon. gentleman a year ago.

Mr. Green: He is the one convert I have made to this policy.

Mr. Martin (Essex East): And the member from Prince Edward Island.

Mr. Green: For 22 years I sat over there on the opposition side and not any kind of move was made by the Liberal government. However, in the last couple of years they have begun to grow enthusiastic. Perhaps they are learning, after a quarter of a century.

During these last two years we have been moving to strengthen Canada's relations with all of the Latin American countries. I think this has been a very important policy. The hon. member for Essex East referred to the statement made by the Associate Minister of National Defence who led a Canadian delegation to the meeting of the inter-American economic and social council held in Uruguay last month. That council was called together in order to consider ways of promoting economic growth and social development in Latin America. Our delegation has come back with very helpful information about Latin American conditions and in addition has made further friendly ties with all of the countries of Latin America. Had there been a meeting of the organization of American states this year we would have been represented by an observer delegation. That meeting was to have been held in Quito in February but it has been postponed indefinitely. When it takes place, however, a Canadian delegation will be in attendance.

In addition to that, we have decided to apply for membership in the United Nations economic commission for Latin America. This commission was established in 1948 by the United Nations in order to assist in raising the level of economic activity in the Latin America area, to strengthen economic relations between the countries of the region and other countries of the world and to carry out technical assistance programs in that area. Besides the 20 republics of Latin America, its membership includes the United States, France, the United Kingdom and the Netherlands. The West Indies and British Guiana have become associate members and British Honduras has applied for the same status. Membership would provide a specialized forum in which to watch Latin American trade, policies and practices and a possible way to influence those countries away from protectionism and bilateralism, it will permit Canada to participate in the formation of policies for the area and possibly place us in a better position to supply capital goods to the mutual benefit of Latin American countries and Canadian industry. It would also facilitate the search with other American nations in the appropriate bodies for solutions to the growing problem of raw material prices and production.

We have no plan under which we make bilateral contributions to Latin American countries. However, they do benefit under United Nations plans.

No record is kept of what proportion of Canada's contributions to those funds is used in Latin America but through that channel there is help given. There is also some help given in the way of scholarships by the Canada council and by the national research council. I would be very pleased in this field as well as in the general external aid field to be able to do a great deal more than we have been doing up to the present time. In my view there is another field in which help is being given and that is through the Export Credits Insurance Act. For example, arrangements have been made for guaranteeing payment for a big shipment to Chile. Some months ago there was a similar arrangement made for the export of steel rails to Mexico. Help of this kind is given and, incidentally, I think that kind of help should be included in the 1 per cent figure that the people in the United States talk so much about. They include everything they give in their 1 per cent figure and we can justifiably include guarantees of this type as well in that figure.

In so far as diplomatic representation is concerned, we have extended our diplomatic relations in Latin America. On Saturday I hope to sign an exchange of notes with the Guatemalan ambassador to the United States by which our ambassador in Mexico will be accredited to Guatemala. This will leave only one Latin American country with which Canada does not have diplomatic relations, namely, El Salvador. I think within a matter of months we can make a similar arrangement for representation in that country.

Another method by which contacts have been increased is by exchange of visits. Our own Prime Minister visited Mexico City, returning a visit by the President of Mexico. I have visited in Argentina, Chile and Peru. There has been also the recent visit of the Associate Minister of National Defence. On November 27 the president of Argentina is to come to Canada where he will pay a visit lasting three or four days.

I suggest we have moved very rapidly, certainly in comparison with any movements made by the Liberal government to strengthen ties with Latin America. In due course the curiosity of the hon. member for Essex East with regard to this question of joining the organization of American states will be

satisfied. However, I point out to him that one of the least effective ways of persuading Canada to adopt a policy is for the president or the head of state of another country to come here and tell us what we should do, no matter if it is done with the best intentions. Even when it is done in that way it is not the best way to get results, and I am rather surprised that the hon. member would suggest that we should at once have jumped through the hoop when the President of the United States made this suggestion.

Mr. Martin (Essex East): He has not been in politics as long as you and I have.

Mr. Green: I suggest that is going quite far in advocating policy, but I do not think President Kennedy meant to interfere.

However, I explained some months ago that we thought this was a policy in respect of which the Canadian people should have an opportunity to consider; to see what they thought of it. There is greatly increased interest in the whole question as a result of President Kennedy's speech. Perhaps it is in the wrong way, but certainly it is increased interest. I think today there is more interest being taken in this question in Canada than there has been in the last 25 years, and there is an opportunity being given for public opinion to build up and, after all, in some cases that is not a bad idea. Certainly we do not have to rush into new policies. This would represent a major change in Canadian foreign policy. I feel it will be of great value to have the Canadian people realize just what the implications of such a move would be.

Mr. Pearson: Mr. Chairman, we are not asking the minister with a view to having the association jump through the hoop merely on the suggestion of the President of the United States that it would be a desirable jump. Nor are we asking him to rush into this. As a matter of fact, long before the President made the statement in this house, the minister's predecessor had us at least half way through the hoop three years ago. The minister is now saying that what we have to do is give the people of Canada a chance to think about this matter. We must find out how they feel about it, giving the Canadian Institute of International Affairs an opportunity to tell us what to do, and that in due course we will make up our minds. While we all grow, I hope, in wisdom and stature in this particular situation, the opposition's interest has I think increased, but the minister's has lessened. The minister used to have very definite views about OAS. I must say I was impressed by his arguments of those days in favour of a particular course and assumed that when he had the responsibility he would implement the particular advice he gave us then. I think there is a good deal to be said for closer association with the organization of American states. We have made our position very clear on that point.

The minister has pointed out there have been other forms of closer association with Latin America. That is quite true. Diplomatic representation of Canada in this part of the world has grown; as it was always intended that it should grow. In the years after world war II we opened embassies and legations in various parts of the world, and the Latin American states were always on the list. But it was always a question of priority and finding the money in the Department of Finance, as well as the people to man the new posts. It is a good thing that representation in Latin America has developed. I think we are all in favour of that development. It certainly is a good thing that the minister and, of course, the Prime Minister can go down to Latin America to cultivate close and friendly contacts with the leaders of those governments. But there is this question which is predominant now in the public mind regarding the actual association of Canada with this particular western hemisphere organization. In consideration of this in the past I admit some worry about membership which meant some responsibility in the development of the organization because we were joining a lot of international clubs at that time. I think there was a limit at that time to what we could or should do, but circumstances have changed. There is now the fact that we are so worried about the establishment of communist bases on the western hemisphere and the feeling we have that the United States should be careful before it reacts too rashly to such a development. If we are to give the United States this kind of advice, as we did and rightly during the Cuban mix-up, and if we are to interest ourselves in these developments, then I think we have to take our responsibility in the organization which is concerned with these matters namely the organization of American states.

In his recent visit to the conference in Uruguay—and reference has been made to that—I think the Associate Minister of National Defence performed two very useful services. According to the press he stopped a revolution in Argentina, and he also brought home to us the importance of doing what we can in the richer countries to assist the poorer countries in Latin America; otherwise there is going to be very serious trouble down there. I thought that perhaps, in the light of that particular report by the Associate Minister

of National Defence, the minister and the government had made up their minds to take responsibility without waiting for the report from the Canadian Institute of International Affairs and would now associate Canada with the organization of American states.

Mr. McIlraith: I want to ask the minister this question arising out of his remarks. In referring to ways in which we had contributed aid in South America he included two items of assistance. I have one in particular in mind. He included as an item of assistance the insurance contract made under the Export Credits Insurance Corporation legislation. I am quite sure he did not intend that result to flow from his remarks. I have particular reference to the $12 million contract of assistance where capital goods were supplied to Chile. I think the minister will be very quick to agree with me that the purpose of that legislation was to enable our producers and manufacturers in Canada to compete more successfully with the producers in other countries that have the production capacity; and that from the point of view of the recipient country the benefit to them from our having this long term insurance or guarantee of the seller's contract is very little indeed because had they not got it from us they would presumably have got the capital equipment from another country. I would hope the minister would take a moment to correct any impression that may inadvertently have been created by his remarks that was not in accordance with the facts.

Mr. Green: I think this is done under section 21, of Part II of the act. In recent months this has been used in effect to help not only the Canadian firm but also the recipient country by giving extended credit which it could not get otherwise. In each of the cases I mentioned there was quite a large element of helping out the respective governments of Chile and Mexico. The same plan has been used with other countries, some of which are getting Colombo plan aid. It is not just a case of helping out a Canadian firm. It also helps the recipient country.

Mr. McIlraith: I do not want to leave it there. The minister will recall that when his colleague the Minister of Trade and Commerce was putting this legislation through the house he said that the purpose of it was—and the wording of the act will support this—to assist the Canadian producers to compete with the producers in other countries. It was in no sense a form of aid to recipient countries which might require assistance in developing their own economies. I think the matter should be clarified. There is a matter of government policy there because what the minister is now claiming for section 21 of the export credits insurance legislation is something very different from what the house was led to believe when the legislation was put through and what I believe the legislation itself contains as its set purpose and objectives. I would hope that the minister would look further into the matter so that there will not be two views of the government that appear at least superficially to be in conflict on this point.

Mr. Green: I am sure the minister to whom the hon. member for Ottawa West referred, if he were here, would agree with me that the act was intended to serve both purposes.

Mr. Herridge: I was very interested in the discussion with respect to Canada joining the organization of American states. We in this group fully appreciate the caution with which the government is proceeding in this direction. There are political, financial and other implications that have to be seriously considered. It is not as simple a matter as it appears on the surface.

The minister said that this period of consideration would give the Canadian people an opportunity to discuss the question and express their views, and so on. Before the government makes a final decision in this connection will it give the house an opportunity to discuss the question and the members an opportunity to bring to the attention of the minister the opinions of the Canadian people they happen to represent in the various constituencies.

Mr. Green: I think if and when such a step were taken it would be debated in the house. There would be a resolution or motion; I am not just sure what form of procedure would be followed. I think the hon. member can take it for granted that there would be an opportunity for discussion.

Item agreed to.

Contributions to international economic and special aid programs—

Bilateral economic aid programs—

89. Colombo plan, $50,000,000.

Mr. Pearson: I believe this is a vote for the Colombo plan. The only question I should like to ask on the appropriation is this. As the minister knows, when the Colombo plan was established, it was designed primarily for capital assistance and to make it easier for those countries which were being helped to help themselves. I have the impression, and there may have been circumstances which made this necessary, that over recent years the proportion of capital assistance has been declining in relation to the proportion of consumer assistance. Can the minister give

us the figures for the Colombo plan which would bear on that particular fact?

Mr. Green: Any move in that direction has been because at least some of those countries, for example, India and Pakistan, which get between them $40 million of the $50 million, have pressed for commodities. They have done that for some years and they are pressing again this year. Mind you, the proceeds of the sale of those commodities are used on other projects, for example, hydroelectric projects, or various works of that kind.

Mr. McIlraith: Before this item carries will the minister advise the committee as to how much of the $50 million aid under the Colombo plan is made up of capital goods that go directly into the production for developing the economy of the recipient country. How much of it is made up of consumer goods? Of the part made up of consumer goods how much of that in turn is accompanied by an agreement for the provision of counterpart funds to be used in the development of the economy of the recipient country and how much of it has no strings attached at all?

Mr. Green: About half of the $50 million is expended directly on capital projects, about one quarter on wheat and the other quarter on such things as aluminum, copper and other commodities of that kind. The proceeds from the sales of wheat and metal and other commodities are used as counterpart funds for other projects in those countries.

Item agreed to.

90. West Indies assistance program, $1,500,000.

Mr. Chevrier: What is the position of this program? I saw in the press this week, I believe, that the West Indies Federation had accepted delivery of one of the ships. I think it was the *Royal Palm* which was built at the Port Weller drydocks. Is there any other assistance over and above the additional ship that is being given and what is the position with respect to that ship now? When will it be completed and when will it be delivered?

Mr. Green: The first ship, which has been named the *Federal Maple,* is now in operation in the West Indies. Over the week end I read in a West Indies magazine of the initial trip of this ship to the various islands. The other ship, which is called the *Federal Palm,* is now on the way to the West Indies. In addition, there will be technical assistance by way of provision of Canadian experts, $206,750, training of West Indians in Canada, $34,250, the development of deep water docking facilities at St. Vincent island, $950,000, the provision of port handling equipment at eight islands of the federation, $450,000, a survey of the natural resources of the island of Dominica, $50,000, and The University College of the West Indies, $700,000.

Mr. Martin (Essex East): This vote shows a decrease of $3,760,000. We all know the reason for the decrease, but having in mind, for instance, the initiative that is taken in providing assistance to certain West Indies countries where the problem of economic underdevelopment characterizes the situation and bearing in mind, for instance, the kind of speech we had from the junior member or senior member from Halifax, has the government any plan to keep this form of assistance to the West Indies at the present level for next year, for instance? When we talk about assistance to these areas, unless there is some explanation a reduction of this sort possibly will be misconstrued in certain quarters. I would be interested to know whether the government has in mind further forms of assistance to other countries that do need it.

Mr. Green: The provision of $10 million was by way of a gift to the West Indies in order to help them when they got their independence. It was never designed as an annual payment or a payment every three years or for any set period. What will be done in the future has not yet been finally decided. Some time ago I referred to the possibility of a Colombo type program for the Caribbean area but I am not yet sure just what steps will be taken.

Mr. Pearson: On this vote I would merely wish to express the hope that something more could be done. I think that we in Canada have a special interest in and perhaps even some responsibility for the West Indies as they achieve independent status. They are perhaps as close to us as any other member of the commonwealth, or will be geographically, when they join us. I think we can be expected to take a special interest in the development of this area. Presumably, as I have read, they will be joining the organization of American states and perhaps any assistance we could give to them would be within the context of hemisphere assistance.

I think it would be a very good thing if we could concentrate some of our aid in respect of this new member of the commonwealth, as we hope it will be. It will be no use for the minister to say that we did not do anything at all in our day because in those days the West Indies islands were colonies and they got their help from the colonial development fund. But now that they are becoming independent they have a special claim on us. I know that every country in

the world has some claim to help from Canada but perhaps the West Indies have a special claim to our assistance and our understanding.

Item agreed to.

91. Special commonwealth Africa aid program, $3,500,000.

Mr. Speakman: Mr. Chairman, with respect to vote 91 and possibly vote 92 I should first of all like to say how pleased I am to see this new item of $3,500,000 this year for special commonwealth Africa aid. I should like to ask the minister how this amount is broken down. As hon. members know, I had the honor of attending the commonwealth parliamentary conference in London earlier this year. The African delegates pointed out their desperate need for educational aid, for teachers, for courses of education in Canada and for agricultural training, all of which we in Canada can offer. Canada is a country with much that we can give to these new nations. Canada is a country greatly admired by them because of our achievements. It might be of interest to hon. members to know that in the country of Basutoland there is one university which was founded by the Roman Catholic church of Canada and is maintained by them. I think that Canadians should be very proud of the fact that in Basutoland there is a university founded and maintained by Canadians.

These African delegates pleaded with me to bring to the attention of the Canadian government their need for educational assistance and agricultural development. I would hope that the government through the minister would not only continue this amount but increase it with special emphasis on those things which they so much need.

Mr. Green: The purpose of this vote is to provide economic and technical assistance to commonwealth countries in Africa. The plan was agreed upon in principle at a meeting of the commonwealth economic consultative council in London in September, 1960. Each contributing country will arrange its aid directly with the recipients. There will be an annual review by the commonwealth economic consultative council. Canada has offered to make a total of $10½ million available over three years beginning in the fiscal year 1961-62. As the hon. member has pointed out, the vote this year is for $3½ million or one third of the total amount to be made available. The intention is that the major part of Canada's aid will be contributed to independent members of the commonwealth in Africa or to those approaching independence.

We have already agreed to carry out an aerial survey of part of Nigeria at a cost of about $1.35 million over a two-year period. In addition, 17 technical advisers have been recruited, of whom 10 are already in Africa and eight more will be recruited shortly. Numerous additional requests are being investigated. We have 27 teachers in Africa altogether, 25 technical trainees in Canada and 53 students in Canada. I think the 53 include students coming here under this plan and also the commonwealth scholarship plan. We are currently discussing a number of specific requests for the building of schools, road programs and assistance in the medical field.

Mr. Chevrier: I am glad that the hon. member for Wetaskiwin raised this question because I have a particular interest in another university in that area of the country. I refer to the one at Roma in Basutoland where Father Odilon Chevrier, a namesake and cousin of mine was for some years the rector of the university. I say the rest with some hesitation because I recall that when I was a boy my father set up a bursary or scholarship for the education of the first negro priest in the Catholic church. His name, I remember quite well, was Raphael Mohasi. He was ordained and has since passed away. Ever since that time coloured priests have been educated by virtue of that scholarship and have joined the ranks of the Oblates who are at the university in Roma. I felt that when the hon. member raised the question I might refer to this personal matter and I should at least pay tribute to the tremendous work done by the Oblates of Mary Immaculate at that university.

As the minister knows, they have a university here in Ottawa and their work in Basutoland specifically has been one not only of magnitude but has been a tremendous contribution to the inhabitants of that area. If there is any assistance that is going to the other university I am sure the minister, as well as the government, will want to give consideration to both of these universities.

Mr. Green: Mr. Chairman, under this plan the assistance is arranged from government to government and not from the Canadian government to any individual institution. Now, if an application is made through the colonial office by these people in Basutoland we would be very glad to consider it. We have not felt we could start dealing with individuals or individual institutions in any one of these countries.

Mr. Martin (Essex East): I think it should be noted just in this connection that not only is the government giving assistance, but the Oblate fathers themselves are doing work in Canada through Reverend Father Breault, who happens to come from my constituency

and who is the Vicar-General in a diocese in Basutoland. Canadian citizens are helping by their contributions towards the assistance of a very worthy project in this particular area. In addition, therefore, to the vote that we are providing tonight, it should be noted as the hon. member for Laurier recalls, that assistance is being provided by Canadian citizens. I can say that the Vicar-General, who happens to come from my constituency and who is engaged in collecting money to assist in the building of this area, is doing very excellent work. I strongly support the tribute that the hon. member for Laurier paid to the university, of which he is so distinguished a graduate and which my own son is attending.

Item agreed to.

93. Commonwealth scholarship plan, $1,000,000.

Mr. Chevrier: I wanted to ask here for a statement by the minister as to how much of this million dollars has been spent and how it has been divided as between the various universities.

Mr. Green: During the last fiscal year there was about $300,000 spent. This year, we expect to spend the full million dollars. The students are in universities from coast to coast. I do not have a roll of them with me this evening. We can get that information for the hon. member and I shall be glad to see that it is sent to him. Apparently a roll was tabled in the external affairs committee.

Mr. Chevrier: Thank you. I note that according to the supplementary estimates the amount paid for educational assistance to independent French speaking African students is only $300,000. The minister announced this in the house some time ago, and I think the house was quite happy with the announcement because it was a step in the right direction, which everyone welcomed. I am not rising to criticize it in any way, but certainly to point out to the minister that perhaps he will want to see that there is a greater relationship between the two amounts spent than there appears to be in this amount of $1 million to the $300,000 in the supplementary estimates.

Mr. Green: In that connection, I think I should point out that the million dollars is for students in the commonwealth, while the $300,000 is for students who are not in the commonwealth but who are in the French community.

Mr. Chevrier: I realize that but my remarks still hold in connection with the relationship between the two. I think the minister should give consideration to the relationship between these two votes.

Mr. Slogan: I should like to say a word about item 93 because I am a great believer in scholarships whether they are on a local level, whether they are exchange scholarships between various universities in Canada or exchange scholarships between universities in Canada and foreign universities or whether they are Canada council scholarships primarily in the cultural field or scholarships such as we are considering here under the commonwealth scholarship plan. I know, as one whose own education was assisted to a large degree by scholarships, of the economic assistance they provide. However, in this case I think we are more interested in the human relationships which stem from students visiting other universities being able to mix with the students, see how others live and think.

I should like to associate myself in extending congratulations to the government on this increase in the amount of money being expended for these scholarships in the coming year. This is certainly money well spent. There is only one matter I should like to raise. It arises out of a little story I heard when I was at the United Nations. Apparently some of the members of the commonwealth are being offered scholarships in the Soviet union, and there is the story of the Nigerian student who was the son of a prominent Nigerian family. This student went to study in the Soviet union. The reason I mention this story is that I sometimes wonder whether we utilize to the full our capacity to influence these students to our way of life, or the students who leave Canada to go abroad. I wonder whether we leave with them the impression that they have a moral obligation to be good ambassadors for Canada.

In this instance the young Nigerian student was practising boxing in the gym and unknown to him a picture was taken of him in a fighting position. This picture then appeared on a poster which proclaimed that this young negro from Nigeria had come to the Soviet union to learn about the great things going on there so he would be prepared to break the chains of slavery in the colonialized country from which he came. I think this is dishonest of course, and I use this illustration only to demonstrate the extent to which even in a case such as this the communist nations are utilizing their methods of propaganda.

My words are not directed primarily to the government but also to the universities themselves who make the selections, and to individuals who participate in this program. I think perhaps we have not utilized to the full our capacity to associate with these students coming to Canada from coast to coast and tried to demonstrate to them our

way of life and our mode of thinking and, more important than that, why we live and think as we do.

Similarly, I think we should emphasize to all the people we send abroad that there is indeed room for them to be good ambassadors for Canada, as I am sure most of them are, because in their interrelationships at the university stage they are at a point in their lives when they are forming philosophies of life, and so forth, and these students coming to Canada and studying in our universities, then going back to their own native countries and assuming positions of leadership, will no doubt be very impressed with what they see and hear in Canada. Their way of thinking will also be influenced. They will then assume positions of leadership in their own countries. I think this influence can be increased to a very great extent and I hope hon. members who have anything to do with the program will keep this point in mind.

(Translation):

Mr. Pigeon: Mr. Chairman, I should just like to say a few words to congratulate the Secretary of State for External Affairs (Mr. Green) for having put an amount of $300,000 at the disposal of the French speaking African countries to help them in the field of education. That step is a great improvement since, under the previous administration, no funds were provided for French Africa.

I would strongly recommend to the hon. member for Laurier (Mr. Chevrier) to bring pressure to bear on his friend, his leader, Mr. Lesage, so that the latter may give a reply to the federal government's offer to work jointly on the carrying out of a $300,000 educational assistance program for French Africa. That project was prepared by the Department of External Affairs.

Speaking of the commonwealth, people seem to think that there are French speaking people only in French Canada but there are some also in Mauritius which has a population of 650,000.

When he was passing through Montreal some time ago, Mr. Laventure, minister from Mauritius, said that his country was a member of the commonwealth and was asking that scholarships be granted, if possible, to the French people of Mauritius, so that those commonwealth citizens could attend Canadian universities.

I therefore submit this request, because Mauritius is a member country of the commonwealth and has a French speaking population of 650,000.

(Text):

The Deputy Chairman: Shall vote 93 carry?

Mr. Hellyer: Mr. Chairman, I should like to ask the minister whether students who come here from other countries to study are allowed to work here in the summer time in order to augment their incomes and help to defray their expenses?

Mr. Green: In most cases they get work, which is of help to them in their courses. They get work perhaps in a government department or in some private organization.

Mr. Hellyer: The reason I asked this question, Mr. Chairman, is because I am of the opinion, perhaps erroneously, that there is some prohibition which prevents foreign students who are studying here accepting jobs.

Mr. Green: With regard to students who come here under the aid program, I think most of them get work. If they come here on their own, of course they have to be dealt with by the Department of Citizenship and Immigration.

Mr. Hellyer: Mr. Chairman, I wonder whether the minister would look into this matter, take it under advisement and see whether a broad policy could not be worked out. I know there might be some objection to this because there are so many Canadian students who have difficulty now in obtaining summertime employment. It would seem only fair that if we encourage students to come here from all around the world we should allow them the same opportunities as our own students to accept gainful employment in the summer months.

It seems to me we would expect the same consideration for our students studying abroad. I think we would expect reciprocal arrangements. I would urge the minister to consider this matter, and if remedial regulations are required, to take the matter up with his colleagues in order to see what can be done.

Mr. Benidickson: Mr. Chairman, I do not imagine the Secretary of State for External Affairs would expect that at all times he would receive from this house complete endorsation or complete approval for his policies. However, as one who had the privilege last year of being an observer in the delegation to the United Nations general assembly I wish to say that we could not have a finer attitude on the part of the minister than he always displayed to hon. members of the opposition who were there as observers.

I recall the first time he appeared in New York after my arrival. I think this will be of interest to members of parliament on both sides of the chamber. The minister has a high regard for members of parliament and their attitudes to external affairs. Because of this he said to me, "Won't you sit on my right, Bill?" That is something I have

cherished in my recollections. However I do not think I moved from my modest place away down the line.

With all his expert advisers, the Secretary of State for External Affairs has a very high regard for his colleagues in the House of Commons. I wish to thank him for the privilege of being associated with him during the last session of the general assembly and for the courtesies he extended to me notwithstanding the fact that perhaps sometimes we do not agree on all points.

Item agreed to.

99. Contribution to the United Nations relief and works agency for Palestine refugees in the near east, $500,000.

Mr. Martin (Essex East): This is an item that has come before us now for some time year after year. It represents one of the great unsolved international social and economic problems of our time. Some one million refugees are covered in this particular area of activity. UNWRA or, as it is called, the United Nations Relief and Works Agency for Palestine, provides assistance for this number of people. Over the week end I noticed in the New York *Times* that Joe Johnson of the Carnegie foundation has been sent by the government of the United States to look into certain aspects of the problem. Perhaps I am wrong in saying that he has been sent by the government of the United States. Perhaps he was sent by the United Nations. In any event, that gentleman who has spent so much of his time on international problems has been sent to take a look at this particular question, the solution for which does not seem to exist at the present time. I wonder whether the minister is in a position to say what his expectancy is with regard to this matter. I know that it is an extremely difficult one. It certainly depends upon circumstances beyond the control of this nation. However, having seen these refugees in some of their camps in this area and knowing how they feel, knowing of their embittered state and how almost inhuman the situation is, altogether apart from what may be the provocations, I would say that we cannot go on endlessly with this problem existing. The longer a solution is delayed, the more difficult the problem is going to become. Canada has borne its share of the cost of maintaining UNWRA. However, I am sure the minister would expect an opposition at this time to inquire what progress is being made in providing a solution to this situation and what steps towards ultimate humanitarian liquidation are likely to eventuate.

Mr. Green: I am afraid this problem is quite a long way from final solution. At each session of the general assembly of the United Nations the whole situation is thoroughly canvassed and various remedies are proposed. However it will be some time yet before we get this matter settled. One of the hopeful features has been the training of the young refugees. For example, last year we gave $1,500,000, I believe it was, in flour. The proceeds from the sale of that flour were used to build technical schools. I believe there was one school in Jordan and one in Lebanon. At these schools the refugees who are in a condition to take training are taught a trade. I think this is one of the most hopeful features of the whole situation.

Item agreed to.

103. Contribution to the program of the North Atlantic Treaty Organization's science committee in an amount of $117,840 U.S., notwithstanding that payment may exceed or fall short of the equivalent in Canadian dollars, estimated as of December, 1960, which is, $115,262.

Mr. Martin (Essex East): Can the minister tell us about this vote and precisely what it seeks to do? I note that there is a slight reduction from last year, namely $9,000.

Mr. Green: This vote is for a science fellowship program. The funds are distributed to participating countries in the form of fellowships on their *pro rata* contribution, no nation receiving more than 15 per cent of the total fund. Had the cost sharing formula remained unchanged for 1961, Canada's dollar return would have been $120,750. It is not yet known, however, to what extent this will be affected by the adoption of a new cost sharing formula.

Mr. Pearson: May I ask the minister this question, although perhaps I should know about this matter? What is the North Atlantic Treaty Organization science committee? What does it actually do apart from providing these scholarships?

Mr. Green: The main purpose of this program was to set up combined research by the different countries of NATO but evidently as yet it has not been as successful as was hoped when it was founded. Hence it involves merely these fellowships.

Item agreed to.

105. To provide the international civil aviation organization with office accommodation at less than commercial rates, $247,789.

Mr. Chevrier: I should like to ask the minister whether the ICAO building in Montreal is going to be used at some time in the future exclusively for international civil aviation purposes. I understand that T.C.A.

are looking for other quarters. I was wondering whether it is the intention of the government to use that building and all its floor space for ICAO purposes exclusively.

Mr. Green: Unfortunately I am not in a position to answer that question. We merely pay the rent for ICAO in this building. I believe that the question comes under the Minister of Transport.

Mr. Benidickson: Who owns this building? Is it not a Canadian government building?

Mr. Green: I believe it is owned by the Canadian National Railways.

Item agreed to.

International joint commission—

109. Salaries and expenses of the commission including, subject to the approval of the governor in council and notwithstanding the International Boundary Waters Treaty Act, as amended, payment of salary of the chairman at $17,500 per annum, $108,885.

Mr. Chevrier: There are two matters that I should like to bring to the attention of the minister here. One of them concerns perhaps the most important commodity in the world, the commodity of water. As the minister appreciates, the United States and Canada are using more and more water for industrial and consumption purposes—more particularly industrial purposes—than ever before. I am concerned at the moment with the water levels in the port of Montreal. They have been discussed at some length by the authority but more particularly the situation is expressed in a report prepared by the Montreal port council in which some fear is expressed regarding the water level. This report is signed by the chairman, R. L. Dunsmore. There are two short references in this report to the water level which I should like to bring to the attention of the minister. The first of these references reads as follows:

In the light of the low water levels last fall in the harbour, the criteria concerning water use priorities in the St. Lawrence river and lake Ontario established for the opening of the seaway were examined. It was noted that there were new rights of flood control, and water for hydro-electric power and navigational purposes up river from Montreal, and that the criterion concerning Montreal harbour water levels guaranteed only pre-seaway rights.

I doubt whether that is the juridical position, but whether it is or not makes no difference. The point is that there is fear in Montreal because of the lowering of the water level of the harbour.

It is further stated in this report as follows:

A ten thousand c.f.s. diversion means a drop of nearly half a foot in lake Ontario and at Montreal harbour.

[Mr. Chevrier.]

The reason I bring this matter to the attention of the committee is that there is a clear obligation on the part of the government of Canada to see to it that water levels both upstream of the power development project in the international section as well as downstream in the St. Lawrence River is protected for navigation. That was clearly set out in the order of approval dated October 29, 1952 by the international joint commission.

Let me just place on *Hansard* the section which deals with that obligation and responsibility on the part of Canada, which reads as follows:

The works shall be so planned, located, constructed, maintained and operated as not to conflict with or restrain uses of the waters of the St. Lawrence river for purposes given preference over uses of water for power purposes by the treaty, namely, uses for domestic and sanitary purposes and uses for navigation, including the service of canals for the purposes of navigation, and shall be so planned, located, constructed, maintained and operated as to give effect to the provisions of this order.

In other words, notwithstanding the works on the international section, the first priority which must be granted and be given by the government of Canada is for the uses of domestic and sanitary purposes, and then next navigation, over and above power.

The international commission, having that in mind, established under this order a board of control to be known as the international St. Lawrence river board of control. The purposes and objects of that board were to make sure that the downstream interests as well as the upstream interests should in no way be affected.

Here I would like to pause to inform the minister that I believe the international joint commission has done a commendable job of work either through itself or through the board of control which I have mentioned.

On July 2, 1956, it issued a supplementary order of approval which deals with this matter, and which sets out what should be done in order to protect upstream and downstream interests. Perhaps I may just put the three recommendations of that order on the record. They are as follows:

(i) A range of mean monthly elevations for lake Ontario of 244 feet (navigation season) to 248.0 feet as nearly as may be; and

(ii) Criteria for a method of regulation of outflows and levels of lake Ontario applicable to the works in the international rapids section of the St. Lawrence river; and

(iii) Plan of regulation No. 12-A-9, subject to minor adjustments that may result from further detailed study and evaluation by the commission;

The board of control working under the authority of that order has issued two volumes, one and two, dealing with the regulation of water levels of lake Ontario. The

reason I bring this subject to the attention of the minister is that at least the essential parts of this new plan 1958-A, have been put into operation. It is contained in this document and is a very detailed plan. I do not understand it and should like to say that it is an extremely difficult plan to understand.

However, I should like to draw to the attention of the minister the final recommendation contained in section VIII on page 43 of this volume, which is a part of the report to the international joint commission by the international St. Lawrence board of control. It reads as follows:

> The board recommends adoption of the foregoing plan designated 1958-A, as the initial operating plan for regulation of the levels and outflows of lake Ontario having in mind that certain revisions may be necessary in the light of further studies and operating experience.

I am pleased that provision was included in this plan, namely, that certain revisions may be necessary in the light of further studies and operating experience. There is no doubt now that the plan, while on the whole it has worked satisfactorily, and while it is a difficult thing to control the level of outflows from lake Ontario, with all due respect to those who have prepared it is not working in the interests of navigation in the port of Montreal.

The port's council so found and the engineers who have studied the situation down there similarly think it is necessary to store a larger quantity of water in lake Ontario for the protection of downstream interests than is being stored at the present time.

I do not bring this situation to the attention of the minister in any critical way because, and I repeat, I think the international joint commission and the board of control have done a tremendous job in regard to a most difficult problem. I bring it to his attention because of its importance not only to the protection of upstream rights, but because of the necessary protection of downstream rights.

I understand that the power interests have a representative on the board of control. That is not the case in so far as navigation is concerned. I understand the reason for that is that since navigation is a matter which comes under the jurisdiction of the federal government it has been thought that the international joint commission and the Department of Transport would protect the rights of navigation. I have no doubt it is the intention of the Department of Transport to ensure that the interests of navigation are protected, but I bring this situation to the attention of the minister because of the report of the Montreal council. I should like to ask the minister to bring this fact to the attention of the international joint commission so there will be no lowering of the water level at the port of Montreal, because the slightest lowering of this level as a result of works and upstream ports, may be costly from an economical standpoint to the development of the port of Montreal.

Mr. Green: Since I come from one of Canada's leading ports myself I have been greatly concerned about this problem, particularly last year. I do not know that it has been so pressing in the summer of 1961. But the procedures and principles for determining release in the future are under consideration by the international joint commission at the present time. The international St. Lawrence river board of control is taking a review of plan of regulation 1958-A, to which the hon. member for Laurier has referred. General McNaughton announced that this review is being made when he appeared before the standing committee on external affairs on June 14 of this year. It is expected that in due course the commission, in the light of the board's review, will report to governments on what alterations, if any, should be made in the plan of regulation. We have this situation very much in mind. I am hoping that it can be solved to the satisfaction of the city of Montreal.

Mr. Chevrier: The other matter that I wanted to discuss, and I will do it as briefly as I can, is one that also comes under the international joint commission. It is one that has been discussed in the house from time to time. I will not deal with the subject save and except in so far as it refers to the international joint commission. I refer to the important development of the Champlain-Richelieu cut-off. I mention it from an entirely different angle because, as the minister has seen in the press recently, there is a general feeling in the United States that they should use their internal canals to a far greater extent than they have in the past. It has been stated on more than one occasion that it is the intention of the United States to do one of two things. First, to develop the Richelieu river from lake Champlain into the St. Lawrence river at Sorel or second, into the port of Montreal by way of an overland route, and from thence to use the St. Lawrence seaway that has been developed so that navigation can be continued to Chicago and down the Illinois and the Mississippi to the ports along the Gulf of Mexico. Therefore, there would be a use of the United States ports on their internal canals, either by the route which I have mentioned or the other alternative which is under serious

consideration in the United States, namely the deepening of the New York state barge canal.

They have gone so far as to say that whether Canada determines this or not they intend to go ahead and develop that route. If, as it has been stated in congress and elsewhere, they develop the New York state barge canal rather than use the St. Lawrence seaway by way of the Champlain-Richelieu cut-off, then I believe that serious consideration should be given by the government to the harm that might befall the economy if the whole eastern part of the seaway were by-passed by traffic in that manner.

The deepening of the New York barge canal would cost infinitely more money than the development of the Champlain-Richelieu cut-off. Recently a statement apeared in *La Presse* of July 15, 1961, which I have here, in which the inertia of the federal government is attacked for the lack of consideration of the Champlain cut-off.

I said at the beginning that I did not intend to get into a contentious debate and I do not think it should be done at this stage. What I bring to the attention of the minister is this. It seems to me this whole matter can be avoided if the government will only set up a board of engineers to consider making surveys of a waterway from the international boundary downstream to the St. Lawrence river. If that is done—and I understand it can be done at very little cost—then at least we shall be co-operating with the United States interests.

I have also learned that the United States corps of engineers have started surveys on their side of the line and have obtained a great deal of information in so far as Canadian conditions are concerned with reference to locks, bridges, and the depth of water. Therefore, I only repeat here what has been said from this side of the house, namely that the government give additional consideration to the establishment at very little cost of a survey to ascertain where the most economical route would be because five of them have been found as alternative routes by the international joint commission in its interim report of 1937, and, next, the economics of this project.

The international joint commission dealt with it at some length in the interim report. There are two volumes which I have in my possession. In this interim report they asked that they be given jurisdiction in this matter when the St. Lawrence seaway had been completed. As the minister knows, the seaway has been in operation since 1959. It seems to those who have studied the question that the time has arrived to ask the commission to continue its work which was interrupted in 1937.

Mr. Green: This question is under study by the several departments of government which are concerned but as yet we have had no report on that study. I am very keenly aware of the interest being taken in the whole project.

Mr. Chevrier: May I just add this. I know a study is being made by the several departments of government, but I have kept away from that. I am bringing to the attention of the minister the fact that the body to deal with this matter will be the international joint commission. I am not saying that it is, because I would not want to do the slightest thing that would dissuade the government from going ahead with this study. But since the international joint commission had it under consideration previously it may well be that it is the proper and logical body to deal with this matter at this time. If the government should come to that conclusion even before the report has been received from the interdepartmental committee I am sure it would be doing a great service to the Canadian people, in the light of what is happening in the United States at the present time.

Item agreed to.

Contributions to international economic and special aid programs—

Bilateral economic aid programs—

512. West Indies assistance program—further amount required, $390,000.

Mr. Benidickson: What is the nature of our arrangement with the West Indies on this type of vote? My query was, does it include practically all of the West Indies as we know them and what are the terms of the bilateral economic aid program into which we are entering?

Mr. Green: This is part of the $10 million which was provided in reality as a gift on the occasion of the West Indies Federation gaining its independence.

Item agreed to.

516. Assessment for the United Nations Congo ad hoc account for 1961 in an amount of $3,080,733 U.S., notwithstanding that payment may exceed or fall short of the equivalent in Canadian dollars, estimated as of May, 1961, which is, $3,044,150.

Mr. Benidickson: This is a very large amount. Would the minister care to make any comment having regard to the troubles that apparently still exist in the Congo?

Mr. Green: Mr. Chairman, this is a good example of the high cost of getting results in the Congo. The United Nations operation in the Congo, which is known as ONUC, was established by the security council in July, 1960. The secretary general was called upon

to furnish wide-scale assistance, both military and civilian, to the Belgian Congo, which became independent on June 30 of last year.

To meet the initial costs of the Congo operation he relied heavily on his authority to borrow from the working capital fund and the reserves of the special fund and the expanded program of technical assistance. At the first part of the fifteenth session of the general assembly last fall the secretary general presented estimates for the Congo operation for the last six months of 1960 in the amount of over $66 mililon. The United Kingdom, the United States and Canada agreed to waive reimbursement for certain claims in order to reduce total costs of the operation to be assessed. In accordance with a decision by the cabinet, Canada waived some $600,000 representing initial airlift costs. We took and are still taking a very active part in the airlift to the Congo. As a result of these special contributions, the general assembly approved a budget of $48.5 million for assessment on members. It took no decision on the 1961 Congo costs until the resumed session of the general assembly in March and April of this year. The secretary general's estimates for 1961, which were submitted just prior to that resumed session, totalled $135 million. The advisory committee recommended that this amount be reduced to $120 million for 1961.

At the close of the resumed session, the general assembly adopted a resolution authorizing the expenditure of $100 million U.S. for the first ten months in 1961 and the general assembly will be required to consider the costs for the remaining two months of 1961 at its session which begins on September 19.

Canada believes that a decision of the security council which entails financial commitments imposes a mandatory obligation on members to pay. In the discussions on the financing of ONUC, Canada pressed these views but was forced to agree to compromises by which ad hoc accounts for ONUC were set up for 1960 and 1961. The resolution setting up the 1960 ad hoc account contained a paragraph which noted that the expenses were an obligation on all members in accordance with article 17 (2) of the charter. The resolution creating the 1961 ad hoc account, however, was watered down and while acknowledging the Congo costs as expenses of the organization it omitted reference to the legally binding nature of the obligation to pay.

The Congo expenses are assessed according to the regular scale of assessment of the organization. As a result of voluntary contributions by the United States, however, certain members with low assessment rates and in receipt of technical assistance were made eligible for rebates. The amount of these rebates in 1960 was 50 per cent but the formula was revised for 1961 to give up to 80 per cent rebates.

The Canadian government has indicated Canada's strong support for the United Nations operation in the Congo from its inception. All the political considerations point to the necessity for continued Canadian support for United Nations action in the Congo. Early payment of the Canadian assessment for the 1961 costs is particularly important in order to give the organization much needed funds to keep the operation going in the face of a threatened heavy deficit resulting from the failure of certain members, particularly the Soviet bloc, to pay their assessments. For this reason the Canadian assessment for the 1961 Congo costs is included in the first supplementary estimates for 1961-62.

On the basis of the regular scale of assessment Canada's share of the $100 million costs of the operation in 1961 up to the end of October, that is, for the first ten months, is $3,080,733 U.S. This estimate provides for a contribution in that amount converted at the current rate of exchange.

Mr. Benidickson: I thank the minister for his explanation although if he looks at the language and having regard to the amount of money involved I think he will recognize that the language is somewhat loose when it refers to an estimate as of May, 1961. Even one month's expenditures are consequential so it would be important to know whether the cut-off date is May 1 or the end of May 1961.

Mr. Green: The significance of those words is that the figure is based on the exchange rate as of May, 1961.

Mr. Benidickson: At the first or at the end of the month?

Mr. Green: We may need more money. We may need to come back for further money with the Canadian dollar down in value.

Item agreed to.

The Deputy Chairman: That completes the estimates of the Department of External Affairs.

Mr. Green: May I just thank the members of the house and particularly members of the two opposition parties for their co-operation in getting these estimates through.

The Deputy Chairman: Is it the wish of the committee that we proceed now to the consideration of the estimates of the Department of National Defence?

Mr. Churchill: I think, Mr. Chairman, that we might rise, report progress and commence the Department of National Defence tomorrow.

The Deputy Chairman: Is that the wish of the committee?

Some hon. Members: Agreed.

Resolutions adopted in committee of supply this day reported and concurred in.

BUSINESS OF THE HOUSE

Mr. Chevrier: May I inquire what the business will be for tomorrow and Wednesday?

Mr. Churchill: We will start tomorrow with the Department of National Defence. Depending on the progress made, we will see what will be done on Wednesday. It may be that we should take up on Wednesday the estimates of the privy council dealing particularly with the emergency measures organization. Perhaps during the course of tomorrow we might confer and see what is the best thing to do.

Mr. Chevrier: May I just ask this additional question? I was under the impression, perhaps wrongly, that when the business was announced on Friday it was indicated that on Wednesday we might deal with a statement by the Prime Minister on the emergency measures organization. I think there are some of us who would like to be here to listen to that statement. Is there any change in that?

Mr. Churchill: I have not heard of any change, but I thought it wiser to leave it open.

Mr. Martin (Essex East): Prime ministers have moods.

Mr. Churchill: The Prime Minister will advise us tomorrow whether or not he wishes to go ahead on Wednesday.

At 10.30 p.m. the house adjourned, without question put, pursuant to special order.

[The following items were passed in committee of supply]:

DEPARTMENT OF EXTERNAL AFFAIRS

A—Department—

76. Departmental administration, $6,924,915.

77. Representation abroad—operational—including authority, notwithstanding the Civil Service Act, for the appointment and fixing of salaries of high commissioners, ambassadors, ministers plenipotentiary, consuls, secretaries and staff by the governor in council, $11,271,043.

78. Representation abroad—construction, acquisition or improvement of buildings, works, land, equipment and furnishings, and to the extent that blocked funds are available for these expenditures, to provide for payment from these foreign currencies owned by Canada and provided only for governmental or other limited purposes, $1,377,900.

79. Canada's civilian participation as a member of the international commissions for supervision and control in Indo-China including authority, notwithstanding the Civil Service Act, for the appointment and fixing of salaries of commissioners, secretaries and staff by the governor in council, $224,810.

80. Special administrative expenses including payment of remuneration, subject to the approval of the governor in council and notwithstanding the Civil Service Act, in connection with the assignment by the Canadian government of Canadians to the international staff of the North Atlantic Treaty Organization (part recoverable from the North Atlantic Treaty Organization), and authority to make recoverable advances in amounts not exceeding in the aggregate the amount of the share of the North Atlantic Treaty Organization of such expenses, $44,136.

81. Official hospitality, $45,000.

82. Relief and repatriation of distressed Canadian citizens abroad and their dependents and for the reimbursement of the United Kingdom for relief expenditures incurred by its diplomatic and consular posts on Canadian account (part recoverable), $20,000.

83. Canadian representation at international conferences, $321,500.

84. Grant to the United Nations association in Canada, $12,000.

85. Grant to the Canadian Atlantic co-ordinating committee, $2,500.

86. Gift to commemorate the sesquicentennial anniversary of the independence of the republic of Mexico, $3,500.

87. Gift to commemorate the independence of Nigeria, $10,000.

External aid office—

88. Salaries and expenses, $525,923.

Contributions to international economic and special aid programs—

Bilateral economic aid programs—

89. Colombo plan, $50,000,000.

90. West Indies assistance program, $1,500,000.

91. Special commonwealth Africa aid program, $3,500,000.

92. Technical assistance to commonwealth countries and territories other than those eligible for assistance under the Colombo plan, the West Indies assistance program or the special commonwealth Africa aid program, $120,000.

93. Commonwealth scholarship plan, $1,000,000.

Multilateral economic aid programs—

94. Contribution to the United Nations special fund in an amount of $2,350,000 U.S., notwithstanding that payment may exceed or fall short of the equivalent in Canadian dollars, estimated as of December, 1960, which is $2,298,594.

95. Contribution to the United Nations expanded program for technical assistance to underdeveloped countries in an amount of $2,150,000 U.S., notwithstanding that payment may exceed or fall short of the equivalent in Canadian dollars, estimated as of December 1960, which is, $2,102,969.

96. Contribution to the operational budget of the international atomic energy agency in an amount of $52,020 U.S. notwithstanding that payment may exceed or fall short of the equivalent in Canadian dollars, estimated as of December, 1960, which is, $50,882.

Special aid programs—

97. Contribution to the program of the United Nations high commissioner for refugees, $290,000.

98. Contribution to the United Nations children's fund, $650,000.

99. Contribution to the United Nations relief and works agency for Palestine refugees in the near east, $500,000.

100. Contribution towards the refugee program of the intergovernmental committee for European migration, $60,000.

Special aid programs—

101. Expenses in connection with Canada's participation in the world refugee year, additional to those provided for in vote 648, Appropriation Act No. 3, 1960, for the completion of the tuberculosis refugee program, $50,000.

Other payments to international organizations and programs—

102. Assessments for membership in the international (including commonwealth) organizations that are detailed in the estimates, including authority to pay such assessments in the amounts and in the currencies in which they are levied, notwithstanding that the total of such payments may exceed the equivalent in Canadian dollars, estimated as of December, 1960, which is, $4,709,895.

103. Contribution to the program of the North Atlantic Treaty Organization's science committee in an amount of $117,840 U.S., notwithstanding that payment may exceed or fall short of the equivalent in Canadian dollars, estimated as of December, 1960, which is, $115,262.

104. Payment to the international civil aviation organization in part reimbursement of compensation paid to its Canadian employees for Quebec income tax for the 1960 taxation year, $11,500.

105. To provide the international civil aviation organization with office accommodation at less than commercial rates, $247,789.

106. Contribution to the United Nations technical assistance administration training centre at the University of British Columbia, $10,000.

107. Grant to the international committee of the Red Cross, $15,000.

108. Grant to the commonwealth institute in an amount of £500, notwithstanding that payment may exceed or fall short of the equivalent in Canadian dollars, estimated as of December, 1960, which is, $1,375.

B—International joint commission—

109. Salaries and expenses of the commission including, subject to the approval of the governor in council and notwithstanding the International Boundary Waters Treaty Act, as amended, payment of salary of the chairman at $17,500 per annum, $108,885.

110. Canada's share of the expenses of studies, surveys and investigations of the international joint commission, $52,000.

481. Additional advance to the working capital fund of the world health organization in an amount

of $17,949 U.S., notwithstanding that payment may exceed or fall short of the equivalent in Canadian dollars, estimated as of December, 1960, which is, $17,556.

A—Department—

508. Representation abroad—operational expenses —further amount required, $199,555.

509. Representation abroad—construction, acquisition or improvement of buildings, works, land, equipment and furnishings—further amount required, $44,600.

510. Gift to commemorate the independence of Sierra Leone, $5,000.

External aid office—

511. Salaries and expenses—further amount required, $87,054.

Bilateral economic aid programs—

512. West Indies assistance program—further amount required, $390,000.

513. Educational assistance for independent French speaking African states, $300,000.

Special aid programs—

514. Expenses in connection with Canada's participation in the world refugee year, for the completion of the tuberculous refugee program—further amount required, $60,000.

Other payments to international organizations and programs—

515. Contribution to the program of the North Atlantic Treaty Organization's science committee—to increase by $61,400 U.S. the amount of the contribution provided for in vote 103, main estimates, 1961-62; the equivalent in Canadian dollars, estimated as of May 1961, is, $60,570.

516. Assessment for the United Nations Congo ad hoc account for 1961 in an amount of $3,080,733 U.S., notwithstanding that payment may exceed or fall short of the equivalent in Canadian dollars, estimated as of May, 1961, which is, $3,044,150.

Contributions to international economic and special aid programs—

Special aid programs—

606. Purchase of flour to be given to the United Nations relief and works agency for Palestine refugees in the Near East, $1,500,000.

HOUSE OF COMMONS

Tuesday, September 12, 1961

The house met at 11 a.m.

HOUSE OF COMMONS

PRESENCE IN GALLERY OF NATO SECRETARY GENERAL

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, we have with us in the gallery today the secretary general of the North Atlantic Treaty Organization, Mr. Dirk Stikker, who is making his first official visit to Canada since taking over his present responsibilities in April. This is not the first time he has been in Canada. His first visit goes back to 1946, and in the intervening years he has been here on more than one occasion. As the house knows, Mr. Stikker has a long and distinguished record in the field of foreign affairs. He was foreign minister of the Netherlands from 1948 to 1952. My colleagues and I greatly appreciate the opportunity he has given us of discussing with him not only the problems of NATO but generally of the international situation today.

I feel that I speak for all hon. members in welcoming Mr. Stikker and in expressing to him the hope that under his direction the alliance will continue to develop its strength and unity, and that the greatest possible use will continue to be made of the NATO council for intensive consultations on the critical issues currently facing the NATO partners. On behalf of the house I extend to him a warm welcome.

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, may I on behalf of the opposition join very warmly in the welcome the Prime Minister has extended to the new secretary general of NATO, who is paying his first visit to Ottawa in this capacity. I do so officially, Mr. Speaker, on behalf of a party which has supported and will continue to support a strong and united NATO as a bulwark of defence and peace. Perhaps I might be permitted to say that I also do so personally as an old friend and colleague of Mr. Stikker.

Mr. Hazen Argue (Assiniboia): Mr. Speaker, we welcome Dr. Stikker to the gallery, as we have in the past welcomed representatives of other important organizations. We are certain that Dr. Stikker will be interested to learn the opinions of Canadians on various public issues with which he is connected as well as of members of the house. We have read in the press certain statements attributed to Dr. Stikker. With some we are in hearty agreement; with others we have certain reservations. These opinions also will be made known in the course of the coming debate.

We join with others in welcoming to our gallery this distinguished gentleman who in the past has played an important role in many organizations and in particular in the organization for European economic co-operation.

NUCLEAR ENERGY

STATEMENT ON FALL-OUT RESULTING FROM RECENT TESTS

Hon. J. W. Monteith (Minister of National Health and Welfare): Mr. Speaker, I would like to make a statement on fall-out resulting from the resumption of nuclear tests by the Soviet union. Since the first test explosion on September 1, my department's network of 24 air sampling stations located across Canada has continued to provide regular material for analysis on a daily basis. From the results obtained, it now appears that effects of the Russian testing program have been observed at some of our stations.

For example, on September 7, the reading for Edmonton showed a fresh fall-out level of nine disintegrations per minute per cubic metre of air, a value which was about 30 times higher than the levels observed for this station during the past several months. This is the most significant increase recorded for samples received to date, although a value of four units, or 15 times higher than normal, was observed for Winnipeg on September 8, and a value of one unit or three times higher than normal for Calgary on September 7.

As I have previously indicated to the house, the significance of all radioactivity data from the health viewpoint can only be assessed on the basis of average levels for a reasonable period of time, perhaps up to a year. The observations we have made in the air monitoring program have consistently shown large fluctuations from day to day, and it is interesting to note that the level observed for Calgary on September 8, the day after the high reading, was back to normal.

Nuclear Fall-out Results

In attempting to interpret the present situation I think it is appropriate to refer to the recommendations of the international commission on radiological protection, which provide the basic data for calculating the maximum permissible level for the public at large. From these data, a level of 6.6 units has been derived. In this connection it is important to realize that the calculations imply continued exposure at this level throughout a lifetime. Short duration increases above this limit are not considered to be of serious public health concern.

Furthermore, it is of interest to note that measurements of fall-out levels in air were made during and subsequent to the extensive weapons testing programs of the fall of 1958. These data were collected by the national research council as part of Canada's contribution to the international geophysical year project. Nine of the observing stations were located in areas now served by our present program, and for these stations the highest over-all monthly average reached a value of 6.88 units in February, 1959. During the same period, however, individual daily results were as high as 38.1 units. Six months later, when my department's program began operating, the monthly average had dropped to 0.85 units and it has subsequently continued to decrease to the point where the over-all monthly average for July, 1961, was 0.29.

Hon. Paul Martin (Essex East): Mr. Speaker, the house will want to examine carefully the announcement on radioactive levels given this morning by the Minister of National Health and Welfare. It is evident from the statement of the minister that his announcement is of great significance. An indication of an increase in levels following recent test explosions is something that cannot be ignored in this or any other country.

We are fortunate in Canada in having a testing system, which I believe we owe largely to the late Dr. Cipriani and Dr. Watkinson, one that can take its place with any similar system in any country of the world.

The minister did not tell us whether the increased radiation was of a character which would warrant our concluding that there was a substantial increase in the danger to human health. We do know that the best scientific opinion as of 1956 suggested that for the population at large the concentration of radioactive strontium should not exceed one tenth of that permitted to the small number of persons employed in radioactive industries. But we have not been told by the minister whether the dangers from these levels are to be compared with the dangers that flow from traditional uses of materials from which have emanated dangerous radioactivity over the years. In any event, the minister's statement is a forceful demonstration of the undesirability of nuclear testing at this time.

Mr. Hazen Argue (Assiniboia): Mr. Speaker, the statement made by the Minister of National Health and Welfare is a further confirmation of the opinion of mankind generally that the resumption of nuclear explosions was a mistake and is against the best interests of the people of the world no matter in which country they reside. The evidence presented this morning is a clear indication of the dangers that flow from a continuation of such weapons testing, and would indicate that once again in Canada there may be evidence, as was the case a few years ago, of some contamination of food.

This demonstrates once again the need for Canada and other nations to pursue a policy of support for an international agreement that would prohibit the testing of nuclear weapons. We think this is an indication that those members both in the government party and in the opposition who are so strongly in favour of the abolition of weapons testing should redouble their efforts.

NATIONAL DEFENCE

NORAD—APPEARANCE OF DEPUTY COMMANDER ON TELEVISION PROGRAM

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): May I ask the Minister of National Defence whether Air Marshal Roy Slemon, R.C.A.F., deputy commander of NORAD, appeared recently in Washington with General Kuter, the commander of NORAD, on the ABC-TV show "Issues and Answers"? If so, did he make his appearance with the knowledge and consent of the minister?

Hon. D. S. Harkness (Minister of National Defence): I received notice of this question shortly before coming into the house. No date was given for the program in question; thus I am not in a position to state whether or not Air Marshal Slemon appeared. I have asked the R.C.A.F. to get a full report in connection with all appearances Air Marshal Slemon may have made.

Mr. Pearson: The report is for a week ago last Sunday.

STATEMENT AS TO PROPOSED EMERGENCY ARMY HEADQUARTERS

On the orders of the day:

Hon. D. S. Harkness (Minister of National Defence): Yesterday, Mr. Speaker, the hon. member for Essex East asked this question:

Mr. Speaker, may I ask the Minister of National Defence whether he feels he is in a position to answer this question. If he is not in a position to answer today he may take it as notice. Can the minister pinpoint those target cities in Canada where it is proposed to establish emergency army headquarters as was announced by the minister in his statement on Thursday last?

I understand the question to mean the location of alternate army headquarters which were set up, and which I had stated had gone into operation on August 24. From reading over this question I take it that what the hon. gentleman is really interested in is the target area headquarters, a different thing entirely. These, of course, must be made known to the municipal and provincial authorities and, as a result, I am quite pleased to give the answer to that question.

Mr. Martin (Essex East): I hope the whip will note that.

Mr. Harkness: These target area headquarters will be put into operation in the coming months. They are located near principal cities. These sites will be manned by military personnel, who will work closely with both municipal and provincial authorities in controlling search, rescue and re-entry operations in areas that may be attacked. In most cases the new target area headquarters will be located some 20 to 50 miles from the major cities.

Thirteen of the projected 16 sites have been selected. They are as follows: Windsor for Halifax, N.S.; Camp Gagetown for Saint John, N.B.; Camp Valcartier for Quebec City, Que.; St. Jerome for Montreal, Que.; Almonte for Ottawa, Ont.; Newmarket for Toronto, Ont.; Chatham for Windsor, Ont.; Dunnville for Niagara Falls, Ont.; Portage La Prairie for Winnipeg, Man.; Wetaskiwin for Edmonton, Alta.; Olds for Calgary, Alta.; Camp Chilliwack for Vancouver, B.C.; and Duncan for Victoria, B.C.

Other sites for the cities of St. John's, Newfoundland, Hamilton and London, Ont., have not yet been decided. They will be announced in the near future.

Hon. Paul Martin (Essex East): Mr. Speaker, in asking another question I wish to thank the minister for this information. May I be assured that the most careful consideration has been given to the selection of a nearby community for the purpose of bringing the city of Windsor in Ontario within the context of this program?

Mr. Harkness: I think the hon. member for Essex East and all other hon. members may be assured that the utmost care is being taken in order to secure the best possible sites to serve as headquarters for re-entry and rescue operations outside of each of the major cities.

Inquiries of the Ministry

AGRICULTURE

DROUGHT CONDITIONS IN WEST—INQUIRY AS TO FEDERAL ASSISTANCE

On the orders of the day:

Mr. Hazen Argue (Assiniboia): I should like to direct a question to the Prime Minister. In view of the widespread crop disaster in the prairie provinces and the demand by farm organizations for special action by the government, including a demand by the farmers' union for a $5 acreage payment, can the Prime Minister say when the government will be announcing a policy? Is he able to indicate whether or not some assistance will be provided for hard pressed farmers?

Right Hon. J. G. Diefenbaker (Prime Minister): I know something of the situation in western Canada, and also of the extent to which drought has seriously reduced the production of grain and thus the income of the western farmer. The house will recall that on two previous occasions the government acted to provide an acreage payment which the hon. gentleman rather ridiculed. However, I find that the small farmers throughout the west are very well pleased with the action taken.

Having regard to the interest this government has taken in this question, the house can be assured that when a decision is made as to what shall or shall not be done it will be made known to the house immediately.

Mr. Argue: I wonder if I might ask a supplementary question. Can I take it from the Prime Minister's statement that the government is considering doing something more than the $1 an acre payment, which was ridiculously low?

Mr. Diefenbaker: All I can say is that, no matter what the government does, the hon. gentleman always says, "More, please".

(Translation):

INDUSTRY

TIN—REPORTED SALES FROM GOVERNMENT STOCKPILES

On the orders of the day:

Mr. L. J. Pigeon (Joliette-l'Assomption-Montcalm): Mr. Speaker, I should like to put a question to the Minister of Defence Production. Has the government initiated steps towards the disposal of reserves of tin at St. Paul l'Ermite, Assomption county? If so, what are the results of that transaction?

Hon. Raymond O'Hurley (Minister of Defence Production): Mr. Speaker, the government has had on hand since the Korean war six million pounds of tin which it has started to dispose of; according to the report I had on September 1, 643,000 pounds were sold at a price of $115 per 100 pounds.

(Text):

On the orders of the day:

S.S. VACATIONLAND—STATEMENT RESPECTING IMPORTATION OF FERRY

Hon. George C. Nowlan (Minister of National Revenue): The other day the hon. member for Laurier asked me a question about the S.S. *Vacationland*, following a statement by my colleague, the Minister of Transport. I can tell the hon. gentleman that I am advised that the S.S. *Vacationland* arrived at Port Colborne about 45 minutes ago for steamship inspection, and that no discussions have taken place with respect to taxes in any way whatsoever.

ADMINISTRATION OF JUSTICE

TORONTO—REPORTED REMARKS BY LOCAL MAGISTRATE

On the orders of the day:

Mr. Hubert Badanai (Fort William): Mr. Speaker, I wish to direct a question to the Minister of Justice. I wonder whether the minister has any comment to make on a news dispatch from Toronto indicating that when sentencing Michael Fakarie to ten days for making improper advances to girls at the Canadian National Exhibition a magistrate remarked that the court list contained no Anglo Saxon names on charges for indecent assault. The question is, how can the magistrate be impartial in the administration of justice—

Mr. Speaker: Order. I am sorry to interrupt the hon. member, but it seems to me his question relates entirely to the administration of justice or the administration of the Criminal Code, which is not the responsibility of the Minister of Justice, but of the provincial authorities.

SHIPPING

INQUIRY AS TO ESTABLISHMENT OF CANADIAN MERCHANT NAVY

On the orders of the day:

Hon. Lionel Chevrier (Laurier): Mr. Speaker, may I direct a question to the Minister of Transport. Has he received a brief from the Canadian brotherhood of railway, transport and general workers in connection with the establishment of a Canadian merchant navy, arising out of the subsidization policy which he announced in the house some time ago? The question is this. Has the minister had an opportunity of studying the brief, and what conclusion has he come to?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, I have not yet had an opportunity to study the brief, but I will do so some time today.

[Mr. O'Hurley.]

TELEVISION

TORONTO—REPORTED TRANSFER TO U.S. OF INTEREST IN PRIVATE STATION

On the orders of the day:

Hon. George C. Nowlan (Minister of National Revenue): In reply to the question asked by the hon. member for Bonavista-Twillingate last Thursday concerning a story appearing in the press to the effect that a very substantial interest in the private television station in Toronto is to be transferred to United States interests, may I say this. The board of broadcast governors recommended that approval of this application be deferred in order to provide the applicant with an opportunity to receive offers from experienced Canadian broadcasting interests. Further consideration will be given to the matter by the board on September 25.

PARLIAMENT HILL

EAST BLOCK—INQUIRY AS TO CONTRACTOR'S SIGN

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to direct a question to the Minister of Public Works and appeal to his aesthetic sensibilities. Does the minister consider it proper for building contractors to disfigure the east block on parliament hill by the erection of a large advertising sign, particularly in a location where the Prime Minister's office is situated and at a time when parliament is sitting?

Hon. D. J. Walker (Minister of Public Works): Mr. Speaker, I shall be happy to deal with this matter of urgent and national importance. It is customary for contractors to have signs erected. It is a good thing in order to have material directed to the site. However, before they erect a sign on parliament hill they must obtain our permission. In this instance no permission was obtained, and as a consequence the sign is being removed.

Mr. Herridge: I am glad to hear it.

AIR TRANSPORT

T.C.A. AND C.P.A.—INQUIRY AS TO MERGER

On the orders of the day:

Mr. Hubert Badanai (Fort William): Mr. Speaker, I wish to direct a question to the Minister of Transport. Can the minister indicate whether negotiations are going on for the purpose of effecting a merger of Trans-Canada Air Lines and Canadian Pacific Airlines?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, this is a matter that has raised a great deal of speculation. At the present time an interdepartmental committee is studying the situation of major air lines in Canada. This interdepartmental committee has made an interim report to the cabinet, and the report is under study.

SUPPLY

The house in committee of supply, Mr. Chown in the chair.

DEPARTMENT OF NATIONAL DEFENCE

232. Departmental administration, $3,455,378.

Hon. D. S. Harkness (Minister of National Defence): Mr. Chairman, this is the first opportunity I have had of presenting the estimates of the Department of National Defence to the committee. I appreciate the privilege. It gives me a very welcome opportunity to speak on the important subject of our military security. But before I do so I should like to say a word about my very distinguished predecessor in office, General George Pearkes, V.C., now His Honour the Lieutenant Governor of British Columbia.

I have had the privilege of a long acquaintanceship and close friendship with George Pearkes, extending back to the early 1920's. I served in the first Canadian division under his command, and we entered parliament at the same time. He is a distinguished soldier who rendered signal service to Canada during the first war, between the wars, and throughout the second world war. His interest in and concern for the defence of Canada was demonstrated throughout his years in parliament and particularly as minister of national defence for nearly three and a half years. He is a great gentleman and a great Canadian, and I am sure we all wish him well in his present distinguished position.

I do not think anyone would deny that we are living in times of great stress. Important and far reaching changes are taking place in many parts of the world; new nations are emerging, resulting on occasion in violence and bloodshed. But overriding all other considerations is the open threat of the Soviet union to eventually achieve world domination. This threat is being implemented on many fronts, economic, political, ideological and military. To combat it requires counteraction in all these areas.

Today, however, I intend to deal with the military threat to our national security. That it continues to exist was made very clear by the Soviet premier earlier this year, when he warned of the consequences which would follow if nations tried to resist the communist move to world wide acceptance of this organization of society. I might add that Mr. Khrushchev went on to say that one of the means for preventing a new war is the development of peace fronts throughout the world, including pacifists of all political beliefs, and through a policy of peaceful coexistence—as defined by him, of course, meaning acceptance of communism. This policy, he said:

> —facilitates the activities of the communist party and other progressive organizations of the working class in the capitalist countries, makes it easier for the peoples to combat aggressive war blocs and foreign military bases and contributes to the success of the national liberation government. The policy of peaceful coexistence is, thus, so far as its social content is concerned, a form of intense economic, political and ideological struggle between the proletariat and the aggressive forces of imperialism in the world arena.

I think that reinforces what the Leader of the Opposition said a day or two ago to the effect that words have been debased, and they no longer mean, in the Soviet lexicon, what they mean in ours.

In recent weeks, of course, we have been confronted with a series of threats with regard to the Berlin situation. I shall be referring later to the steps the government has taken in the light of the present international situation.

The government's defence policy has two objectives; first, to maintain peace by preventing a third global war; and second, to prevent subjection to a foreign power. Everything we do in defence is devoted to attaining these two purposes.

We believe they can best be attained by a system of alliances, and thus we have been strong supporters of, and have been taking and will continue to take our full part in, making NATO, NORAD and the UN effective. History has shown that had the coalitions that won the last two world wars been in existence and firmly united before the wars, those wars might well have been avoided. When in 1948 it became apparent that the west was again faced with a situation where one by one the countries of Europe might fall under communist domination, the formation of the North Atlantic treaty coalition was the logical step to take. Canada pressed for this action and has firmly supported it since then. It is the cornerstone of our defence policy.

Working as a member of a group of nations is an art that is not easily acquired. To play an effective part, individual nations must show that they are prepared to accept their responsibilities and to make sacrifices, sacrifices in money, men or risks. Only so long as the will of the individual members remains steadfast will the coaltion be strong and its will to stand together be abundantly clear to any would-be aggressor. Canada must, therefore,

maintain her proper share of forces committed to NATO, and show to her fellow members and to any possible opponent a determination to stand with the coalition against any aggression.

If membership in NATO demands some abrogation of national freedom of action, it has advantages that far outweigh any drawbacks. The strength of the union is the sum of the strengths of the individual members, and the total strength of the west thus marshalled is formidable indeed. Individual members do not have to maintain a balance of all the forces that go to make up modern military power. Individual members can contribute to the whole those forces that best suit their national circumstances. Canada, for example, does not attempt to provide strategic bombers, intercontinental ballistic missiles or fast carrier task forces; yet the NATO organization has the necessary forces in these categories.

I think one of the difficulties which many people experience in their thinking on defence is that they tend to think of Canada particularly as a nation which in their view should be in a position to maintain a force of all kinds, which at the present time is a complete impossibility.

A very important part of the NATO philosophy is the reliance on the retaliatory nuclear forces maintained by the United States and the United Kingdom. Canada does not contribute directly to these forces, but she does make an important contribution to ensure that the major portion of these forces remains effective. By this I mean that through the maintenance, together with the United States, of the early warning radar lines and the anti-bomber defences, she is ensuring that retaliation would be of such an order as to cause equal, if not greater, destruction on the territory of those responsible for launching an attack on this continent.

In North America, a regional area of NATO, the defence against air attack is a single problem. It cannot be separated into parts by boundary lines or limits of territorial waters. This fact was recognized during world war II, when joint plans for defence were drawn up and co-ordinated between the United States and ourselves. After the war, when it became apparent that there was an increasing risk from the air, further closer collaboration in planning took place. Eventually, because of the increasing speeds of aircraft and the resulting shorter and shorter reaction time, consultation and co-ordination were too time consuming, and it was decided to form a joint headquarters to control the air defence forces of the two partner nations so as to make the most effective use of the very short warning time available to the defences.

NORAD has been attacked as an organization wherein Canada might lose some element of sovereignty. Theoretically I suppose any international agreement involves some loss of sovereignty, but I do not consider that there is any significant loss of Canadian sovereignty involved in the NORAD agreement. The Canadian forces remain under Canadian command. Only operational control is exercised by the joint headquarters of NORAD, and there is no intrusion of United States forces or United States authority in areas that were not already provided for under the former co-ordinated arrangements.

I would like to stress again that the NORAD agreement is a purely defensive agreement. Military action can only be taken if North America comes under attack from the air. In other words, it cannot by any conceivable circumstance start a war. The commander in chief of NORAD is responsible to the Canadian and the United States governments through their respective chiefs of staff, and these governments can and do exercise control over the planning and operating procedures and actions that NORAD takes.

Our contribution to the United Nations is, I think, well known. We have substantial forces in Egypt, and our servicemen take part in a number of truce commissions and supervisory bodies in various trouble spots in the world. In the last year, of course, we have taken on the additional responsibility of providing some 300 army and air force personnel to the United Nations force in the Congo.

I have just given a broad outline of our general defence policy. Before going on to some more specific matters I should like to briefly mention some opposing ideas which have been put forward from various quarters.

As an alternative to the collective security arrangements we have entered into, other proposals have been put forth, in many cases after genuine and sincere consideration, generally motivated, I think, by the very real fear of nuclear attack on Canada. Some have suggested unilateral disarmament. Presumably the thinking is that if Canada were completely disarmed there would be no provocation for attack. This theory, of course, ignores history; it ignores our geographical position, and it ignores the stated policy of the Soviet. I submit that it is completely unacceptable to Canadians as a whole. It would neither ensure our security nor enhance our reputation in the eyes of the world. To suggest that such an action would have a profound effect on Russia, China or any

other communist regime displays a naïveté that is beyond reasonable comprehension.

In talking or writing about defence policy, many people have become so obsessed with equipment matters—in other words the kind of aircraft and armaments available—that they have come to look upon these as the main features of defence policy rather than as one of the means by which basic defence policy is carried into effect. The type of equipment secured depends on the strategy being followed to implement our defence policy and on the tactics which it is believed we will have to employ. Essentially this means that our forces must be equipped to give them the maximum possible mobility and flexibility. It requires that they be equipped with weapons comparable to if not better than those of a potential adversary. It is the policy of the government that our forces should not be required to face a potential enemy with inferior weapons.

Inevitably there will continue to be much argument about the various items of equipment supplied to the services, or which various people think should be supplied to them. Contrary to the statements which have frequently been made that the services, particularly the army, have chiefly old and obsolete equipment, they have in fact been supplied with an almost completely new range of equipment of all kinds.

Three weapons systems—the Honest John surface to surface missile, the Bomarc anti-aircraft weapon and the CF-104 aircraft—being obtained have a nuclear capability, but I should like to make it clear that their military role can in no way be compared with such strategic nuclear weapons as are maintained by the United Kingdom, the United States and the Soviet union. Defensive weapons with a nuclear capability may be required to maintain the credibility of the deterrent, and in the event that the worst happened would be required to provide an effective defence against Soviet aggression. A considerable lead time is necessary for the provision of any such weapons, amounting in most cases to two or three years or more, and it is only prudent to obtain the weapons systems now so that they will be available and our forces trained to use them. The situation is much the same as that of a man living in a lonely cabin in the woods who fears he may be attacked by a bear. He does not wait until the bear actually attacks him to buy a rifle, but secures it beforehand and has it ready in the event of need.

The Bomarc will form part of the defences we must maintain against the manned bomber as long as there are potentially hostile aircraft in existence that could be used against us. A bomber, if unopposed, is by far the best and most effective way of delivering atomic weapons, and it is necessary therefore that we maintain a defence against such a threat as long as it is in existence. We do not know how many long range missiles of adequate accuracy the Russians possess, but we do know that the number is limited. On the other hand, it is a fact that they do have a considerable number of manned aircraft in operation, and should an attack be decided upon it must be presumed that these aircraft would be used.

That was the reason for the decision to improve our air defence by the acquisition of the Bomarc surface to air missile, new heavy radars and the SAGE control system. That was also the reason for the agreement concluded with the United States calling for the acquisition by the R.C.A.F. of 66 F-101B interceptor aircraft. The F-101B is considered the best two place interceptor for service in NORAD today. Five squadrons of 12 aircraft will be formed, one each at Comox, B.C., North Bay and Ottawa, Ontario, Bagotville, Quebec, and Chatham, N.B. Squadrons will be converted progressively with CF-100's being withdrawn as each squadron commences conversion.

As part of the agreement the R.C.A.F. will take over the operation and maintenance costs of 11 Pine Tree radars now operated by the United States air force and the maintenance costs of a further five radars now manned by the R.C.A.F. but financed by the United States. The take-over of the 11 radars will be carried out progressively, and present plans are that the program will be completed within a two year period. Canada also assumes financial responsibility for the five radars now manned by the R.C.A.F. as from the date of the agreement.

One other aspect of the agreement relates to the production of the F-104 aircraft by Canadair for our allies. This is a matter not strictly within the purview of the Department of National Defence but it does emphasize, I think, the important part this aircraft has in the over-all equipment policy being implemented by several member nations of NATO.

Other aircraft recently being taken into service or in production will materially strengthen the capabilities of the R.C.A.F. New transport aircraft, including the long range CC-106—the Yukon—the C-130B and the medium range CC-109 will not only increase the over-all air transport capacity of the R.C.A.F., but will also greatly facilitate the movement of Canadian army personnel and equipment to whatever part of the world a requirement exists for our forces.

Canadian production of the CF-104, the aircraft selected to replace the Sabres now being

flown in the No. 1 air division, is proceeding according to plan, and this aircraft will enter operational service in 1962. As was announced in 1959, it was selected to meet a specific NATO requirement. It is interesting to note that since then several NATO countries, including Germany, Belgium and The Netherlands, have announced their intention to procure F-104 aircraft. These three countries will all use the F-104 in three roles; as a fighter bomber, an all-weather interceptor and for tactical reconnaissance. It is also expected that Italy will obtain a number of F-104 aircraft, and apart from the NATO countries Japan intends to equip its self defence air force with the F-104. In fact, the F-104 has turned out to be the nearest approach to standardization of aircraft within NATO which has been achieved to date.

For a number of years now the Royal Canadian Navy has been developing methods to combat the submarine menace which exists off both our western and eastern shores. This threat has been further aggravated by the development of the missile capable of being launched from both the surface of the water and under the surface. Continuous improvements have been made to our naval vessels, one notable achievement being the variable depth sonar, product of our own Canadian research teams. This year authority has been given for the installation of helicopter platforms on a number of our destroyer escorts, and additional helicopters will be obtained for anti-submarine duties from these ships. In May last the navy took delivery of the submarine H.M.C.S. *Grilse* which has been lent by the United States navy. The procurement of this submarine, manned by Canadian naval personnel, will enable our anti-submarine forces on the west coast to get valuable and essential training in the months and years ahead. Ships and aircraft on our east coast for a number of years have had the same facilities provided by submarines of the United Kingdom navy.

The three army brigade groups in Canada, together with members of the reserve forces, have in the past year, in addition to their normal field exercises, been undergoing intensive training in survival operations. New survival equipment has been issued, and the recent exercise Tocsin '61 proved that while a lot remains to be done, great advances have been made in a short space of time in this important aspect of national survival.

The operations of the defence research board are, I think, well known to members of the committee, and I do not intend at this time to outline in detail its various activities. However, I should like to say that within the concept of collective security the board is an essential component of our defence structure. The importance of the place which defence science holds in present day and future planning cannot be too strongly emphasized. Without the advice of a competent and knowledgeable research organization it would be impossible to arrive at sound decisions on military questions in which the technical factor exerts a major influence.

In the development of new equipment and new techniques we must work closely with Canadian industry as a whole. Awareness of this has led the government to authorize the defence research board to develop an extended program of defence research in industry with a primary view of building up and maintaining a more adequate level of defence research capacity. The Department of Defence Production will be co-operating with the defence research board in selecting the research objectives for this expanded defence industrial research program.

I should now like to refer to the decisions the government has taken recently with regard to the deterioration of the situation in Europe. Since the house adjourned in July the international situation, especially with regard to Europe, has been the cause of concern to all nations of the western alliance. The announcement by Premier Khrushchev that the Soviet union intended to sign a separate peace treaty with Eastern Germany, coupled with military preparations taken by the communists, has led Canada and her allies to make a serious study of the implications of the Soviet moves. The decision of the Soviet union to resume nuclear weapons testing, followed by the recent atomic explosions, leaves little doubt in our minds as to the threat that faces us today. The Soviet ambassador to Canada is quoted as saying that the purpose of the resumption of such tests is to "jolt the allies" into agreement on disarmament. He might have added that such agreement is to be on communist terms and communist terms alone.

Following the conference of foreign ministers of the United States, France, Great Britain and Germany, the NATO council met on August 8, and as a result of this meeting the members unanimously agreed to consider measures they might take to bolster the overall NATO forces. Although Canada has lived up to her commitment to NATO in the past, the Canadian government after fully considering the matter decided to take certain action to further strengthen our contribution in Europe, and at the same time to increase the effectiveness of the forces committed to NATO in Canada and to step up the national survival program. Although announcements have already been made in this regard it would, I think, be useful to give a general summary at this time.

In so far as our national survival program is concerned, it has been decided to partially man emergency headquarters and warning centres in Canada; to stockpile and disperse certain stores; to accelerate the purchase of national survival equipment; to speed up the nuclear detonation and fall-out reporting system; to expedite the warning siren program and the survey of existing fall-out protection; and to carry out, as the Prime Minister said earlier, a national survival exercise later this fall to test the effectiveness of the program as a whole.

With their present strengths the regular army and the militia cannot supply the necessary personnel required as a result of the increased activity in the national survival program. To improve this position the government has approved a plan to increase, in the shortest possible time, the number of people trained to take part in survival and rescue operations should the need arise. It has been decided to train up to 100,000 men in the militia on special courses, each lasting six weeks. Approximately 25,000 will be trained on each course in existing military armouries across the country. As an example, training in the eastern Ontario area will not be limited to Ottawa but will be conducted also in Cornwall, Pembroke, Kingston, Peterborough, etc., all the places where military armouries exist and there is sufficient enrolment to justify a course.

Emphasis throughout will be on the teaching of subjects essential for national survival. There will be sufficient basic military training to provide the discipline and response essential to the control and effective employment of such a force on operations. Recruits will be trained with regular militia units in their home districts, and on completion of their courses will be given an opportunity to remain with the militia.

All trainees will be enrolled on a continuous call-out basis during the period of their course. They will receive normal pay with subsistance allowance in lieu of rations as given to a regular army recruit private of single status, that is $108 a month pay and a subsistence allowance of $65 per month. Standards of enrolment will be somewhat modified to permit acceptance of applicants between the ages of 18 and 50 years, married or single. Physical requirements based on the pulhems profile will not be as stringent as those now in force for the regular army.

The first course is scheduled to get under way before mid-November. For each course of 25,000 a training staff of approximately 2,700 officers and N.C.O.'s will be required. This staff will be found through existing instructional staff for the army survival operations and from militia officers and N.C.O.'s and former regular army personnel called out on a voluntary basis for the duration of the program. Any deficiencies which may exist after calling on these three sources will be made up from the regular army. The administration of the program will be based on the existing militia structure.

In so far as our commitment to NATO is concerned, we are determined to make it perfectly clear that we fully support that organization. Over the past few years we have been strengthening the brigade group in Europe by modernizing and increasing the quantities of the brigade weapons. As an example, the armoured component of the brigade has been increased from squadron to regimental strength. Despite the increase in weapons and equipment, it was not considered necessary to make a corresponding increase in manpower. However, in a period of tension, and of course this is a period of tension, it is necessary to provide additional personnel to units in the field to ensure that they can, without delay, meet all their commitments on a 24-hour basis. The retention in the brigade of the first battalion of the Black Watch has already been announced. It is now proposed to strengthen the brigade group in Germany by the immediate addition of 1,100 men, of whom 300 are being allocated to man the surface to surface Honest John missile battery and to operate the reconnaissance helicopters which are being added to the brigade group.

The Deputy Chairman: Order. The minister's time has expired. Will the committee give unanimous consent to permit him to continue?

Some hon. Members: Agreed.

Mr. Harkness: I should like to thank the committee, Mr. Chairman. Initially the men to meet these requirements will be provided from existing units now in Canada. I might say that the first 400 men to strengthen the brigade will sail for Europe on the 22nd of this month, to be followed by a further 400 about a week later.

The strength of the R.C.A.F. air division in Europe is to be increased by 250 men. This will provide, amongst other things, an increased ratio of pilots to aircraft, thus improving the operational readiness of the division. In so far as the Royal Canadian Navy is concerned, we have a commitment to NATO for the provision of ships and aircraft in the event of an emergency. Our ships are at present manned at an average of 86 per cent of full operational complement. It is intended that immediate action be taken toward manning all operational ships at full

strength. This means the addition of some 1,750 personnel in naval strength.

A further decision has been made to increase the air transport capability of the R.C.A.F. It was planned that with the introduction of the long range Yukon aircraft, the North Star transport aircraft would be phased out of service. However, a squadron of these aircraft is now to be retained, thus enhancing the long range operations of air transport command. The extra manpower required involves some 500 personnel. To man the Pine Tree radar sites being transferred from the United States to Canada during the next few months without reducing other activities being undertaken by the R.C.A.F., an additional 490 personnel will be needed.

As a result of the increased manpower requirements, authority has been given to raise the strength ceilings of our forces in Europe from 12,000 to 14,000, and of the regular forces as a whole from 120,000 to 135,000.

I have already referred to the R.C.N. and R.C.A.F. requirement and the increase in strength of the fourth brigade group in Europe. In addition, it is proposed to maintain an immediate reserve of 1,500 men in Canada for the fourth brigade group, who will be available for immediate dispatch, with their documentation and so on, completed, to strengthen the strategic reserve forces of the army earmarked for NATO and to provide additional army personnel for national survival operations. Immediate steps are therefore being taken to recruit an additional 1,750 personnel for the R.C.N., some 11,600 for the Canadian army, and 1,140 for the R.C.A.F.

The estimated cost of these programs in round figures during the current fiscal year is $6 million for the survival measures, plus $25 million for the special militia training of men to take part in survival and rescue operations, and $12 million for the additions to the regular forces including the strengthening of the NATO forces overseas. Part of this cost can be met from the estimates now before the house. The net addition to defence spending when all adjustments have been taken into account will be in the order of $35 million. A question was asked the other day as to what the cost would be in a full year. The estimated cost of the measures I have mentioned for the year 1962-63 will be $62.9 million. For subsequent years it will be $55.3 million.

I should emphasize that the action we have taken should not be construed as indicating an alarmist attitude or any belief in the inevitability of war. Rather it indicates our recognition of the present critical international situation, our belief in NATO, and our determination not to succumb to the threat of force no matter how awful that threat may appear. By taking such an attitude in consort with our allies it is our belief that the chances of war are diminished. It is not we who have resorted to sabre rattling and military threats. Premier Khrushchev has deliberately chosen to make an issue of the Berlin situation, has threatened the use of force unless we come to agreement on his terms, and has ignored the welfare of millions of people by resuming nuclear weapons testing. In the face of such threats of our national security, I think the committee will agree that the steps taken by the government are fully justified.

Mr. Hellyer: Mr. Chairman, I am sure that some hon. members will be a bit disappointed, as I was, in the minister's statement. After commencing with a lecture to persons unnamed for spending too much time in discussing military hardware and not sufficient time in discussing over-all defence policy, he then proceeded to do just that. In fact his statement was a rehash of departmental administration, of many of the bits of information already contained in the blue book, and of the announcements made the other day by the Prime Minister and the Minister of National Defence. The statement contained very little, if anything, which was new or of interest to the committee.

I presume, Mr. Chairman, that although it was stated in different terms today by the minister, the objective of Canada's defence policy is still, as it has been in the past, to be an instrument of our foreign policy. It should be, therefore, organized for and dedicated to the maintenance of peace rather than the waging of thermonuclear war. Because of our relatively small population and military capacity, we must continue to work with the other members of the North Atlantic Treaty Organization to achieve our goal. Our interdependence is such that we must consider western strength and capability as a whole before we can intelligently discuss what contribution Canada should be making to collective security; because, as the minister stated, we each make a contribution and the total strength of the alliance is equal to the sum of the individual contributions.

The struggle between the east and the west has been described as a protracted conflict. Not only is it protracted but the spectrum of the conflict is very broad, including competition in the economic, psychological, political and military spheres. Generally speaking, and subject only to a few happy exceptions, the west has been lagging in the various areas of conflict except its ability to deter an all-out,

direct thermonuclear attack. Even here the Russians have been narrowing the gap. They do not have the offensive power of the United States, but they are catching up. In addition, the fact that in a direct attack the Russians would strike first adds an equalizing factor to the deterrent equation.

The United States, realizing that in order to deter direct attack it must have the capacity to accept the first blow and still have enough potential to inflict unacceptable damage on the Soviet union, has embarked on a accelerated program designed to increase the invulnerability of its atomic striking force. They have embarked on a number of measures to achieve this goal. First of all, there is the Polaris submarine missile capacity. This is probably the most effective measure yet undertaken because the submarine, even though its location may be known at one moment, can hide from Soviet detection; and the deterrent capacity which it contains, and it is a very real deterrent capacity, is not vulnerable to Soviet attack.

In addition, the United States has embarked on an acceleration of the Minuteman program. As is known to the committee, this is a solid fuel intercontinental ballistic missile which will be installed in well dispersed hardened sites and later will be placed on mobile railroad cars so that its whereabouts will be unknown to any potential enemy. Then, too the Skybolt missile program has been accelerated. This is an air to ground missile with a relatively long range of 1,000 miles or so. It too is a solid fuel nuclear ballistic missile which carries an atomic warhead. It is to be carried by the B-52 bomber and by the British V bombers. Additionally, the United States has increased its capacity for an airborne alert and also its capacity for the 15 minute ground alert.

All these accelerated programs, Mr. Chairman, have been designed to make sure, to underline, the effectiveness of the United States to deter aggression, to deter a strike from the Soviet union. They have also improved their warning system. This is necessary if a ground alert is to be effective. As is well known, the first part of the ballistic missile early warning system is in operation, and the other parts will get into operation shortly. The Midas satellite system has been accelerated, and it is designed to provide a greater warning, perhaps of the order of 30 minutes, to the United States strategic air command.

All these steps combined increase the protection of the United States striking force and its ability to deter Soviet attack. I can say from experience, Mr. Chairman, having seen something of the strategic air command and of the steps it is taking, that it still has an overwhelming capacity. It is formidable. I know it has the capacity to blow the Soviet union off the face of the map. I think the Soviet union, too, is aware of this. I am convinced also the United States has and will keep its retaliatory forces up to date. They will not allow them to become out of date, and they will disperse them and make them invulnerable to attack as they feel required to do.

While Russia has been making giant strides toward narrowing the gap between its striking capacity and that of the United States, the west has been much slower in applying itself to the much greater gap between its conventional capacity and that of the Soviet union. The west does not have an adequate deterrent to moderate provocation. It does not have the conventional non-nuclear capacity to deter limited wars. Many people have been pointing out this inadequacy for some time. First of all, some of the more enlightened military officers did so. In most cases theirs was a minority opinion. When General Maxwell Taylor of the United States proposed this viewpoint it was considered radical and probably not correct. Now, at long last, this viewpoint is being accepted in official circles, and the United States has taken official notice of the deficiency in conventional strength and has included some remedial action in its current crash program.

President Kennedy stated the case well in his special message to congress on March 28, 1961. At that time he said:

> The strength and deployment of our forces in combination with those of our allies should be sufficiently powerful and mobile to prevent the steady erosion of the free world through limited wars; and it is this role that should constitute the primary mission of our overseas forces. Non-nuclear wars, and sub-limited or guerrilla warfare, have since 1945 constituted the most active and constant threat to free world security. Those units of our forces which are stationed overseas, or designed to fight overseas, can be most usefully oriented toward deterring or confining those conflicts which do not justify and must not lead to a general nuclear attack. In the event of a major aggression that could not be repulsed by conventional forces, we must be prepared to take whatever action with whatever weapons are appropriate. But our objective now is to increase our ability to confine our response to non-nuclear weapons, and to lessen the incentive for any limited aggression by making clear what our response will accomplish. In most areas of the world, the main burden of local defence against overt attack, subversion and guerrilla warfare must rest on local populations and forces. But given the great likelihood and seriousness of this threat, we must be prepared to make a substantial contribution in the form of strong, highly mobile forces trained in this type of warfare, some of which must be deployed in forward areas, with a substantial airlift and sealift capacity and prestocked overseas bases.

The President backed up his policy statement by action with specific recommendations

to implement the policy. These included the following, and I may say that the lettering is my own:

A. Expanded research on non-nuclear weapons. I hope the President:

> What is needed are entirely new types of non-nuclear weapons and equipment with increased firepower, mobility and communications, and more suited to the kind of tasks our limited war forces will most likely be required to perform.

B. Increased airlift capacity. The appropriation put before congress was more than double the existing appropriation.

C. Additional amphibious transport to increase the speed and capability of sealift capacity.

D. Helicopters, rifles, electronics and communications equipment.

E. Development of an advanced tactical fighter emphasizing non-nuclear capabilities.

F. Modification of the F-105 tactical fighter to improve its capability to handle conventional armament ordnance items and to increase its suitability for airstrips of all types of areas.

G. More personnel and training.

This new emphasis on increasing western capacity to deter or if necessary wage limited war is a complete vindication of the change in direction suggested by the Liberal party in this house a year ago. President Kennedy's recommendations in March, 1961, read like a catalogue of the suggestions we put forward as a consequence of a redirected policy.

An hon. Member: He must have read them.

Mr. Hellyer: I think he did so. I feel it is unfortunate that the Canadian government has not yet seen the light. Now that we have a new Berlin crisis on our hands we see some evidence of token repentance. We hope it is not deathbed repentance. Now at the insistent urging of its allies the Canadian government is sending token reinforcements to its brigade group and air division in Europe. One might wonder what additional contributions we were asked to make. One might wonder about the connection between our lack of ground forces in Europe and the Berlin crisis.

Our lack of conventional strength there is well known to Mr. Khrushchev. It is also well known to Mr. Khrushchev that as the common market is enlarged, and as it becomes stronger, Europe is gaining in strength politically, economically and militarily. He also knows that finally the western allies have agreed to build up their conventional strength in Europe. Taking all these factors into consideration, he may have decided that now is the strategic time to cause trouble and see how far he can press without running into absolute opposition from the NATO alliance. However, if we had been stronger on the ground in Europe the crisis might never have arisen in the first place.

The government has announced that 1,106 additional troops will be sent to our brigade in Europe. It has indicated that 300 of these will man the Honest John artillery.

Mr. Harkness: No; 235.

Mr. Hellyer: I beg the minister's pardon. We have not been told what the remainder will be occupied in doing. We would ask the government to tell us specifically what function they will perform, and how in fact they add to the fighting effectiveness of the brigade in Europe. We concur in that decision, but we deplore the failure of the government to provide modern equipment for the brigade. It has not been supplied with the mobility and firepower it needs. This is the situation notwithstanding the minister's brave words in many of the speeches he has made across the country. It has none of the light aircraft which are available such as the Otter, Beaver, and Caribou. Other armies have them, even other armies in Europe. However, the Canadian army has none of them.

On recent trips to the United States, visiting their army installations, it has been a matter of pride that the United States army relies to the extent it does on the excellent series of light aircraft manufactured by the de Havilland company in Toronto. United States army personnel just naturally assume that the Canadian army would be well equipped with these first class Canadian products. They can scarcely believe that such is not the case. Indeed, they are not the only incredulous ones. On one recent trip three of my Conservative colleagues also could not believe that the Canadian army would not be equipped with the Caribou aircraft. They were reluctant to take my word for it, but they accepted information supplied by a Canadian liaison officer. It is humiliating, Mr. Chairman, that we have such excellent equipment available but not available where it is needed, in the field with our forces.

As a sidelight here I might be permitted to say that this trip to which I was just referring was one during which parliamentarians of the NATO countries visited United States installations as guests of the United States congress and government. It was a most fascinating as well as instructive trip. We visited installations of the marine corps, the army, the navy and the air force. We saw a fairly wide spectrum of United States installations, and were given an insight into their capacity and plans. I should like to say for myself—and I am sure I speak for

my colleagues on the other side of the house as well, including Mr. Chairman—that we appreciated the courtesy which was extended to us, as well as the hospitality. The Americans are wonderfully hospitable people. They treated us with great respect and great deference and made the trip as instructive, pleasant and congenial as possible. We are extremely grateful to them for the opportunity that was presented to us.

Similarly, our army has not been equipped with helicopters. Goodness knows the suggestion has been made often enough. As found in *Hansard* at page 7525 for August 3, 1960, the then minister of national defence—and I join the present minister in his tribute to the former minister, who was a special friend of mine and a man for whom I had the greatest respect—Hon. George Pearkes had this to say, referring to the recommendations of the special committee on defence expenditures:

> The committee also recommended giving consideration to the provision of helicopters which would increase the mobility of the brigade. We have that matter under consideration and it is just a question of when funds are to be made available, because I believe that helicopters will certainly increase the effectiveness of that brigade.

The army itself seems to be enthusiastic about the idea of obtaining helicopters. I quote part of a dispatch from camp Gagetown, New Brunswick, by Dave McIntosh, dated July 11, as follows:

> The army wants some 40 of these helicopters and 40 transport types, but the government has not yet approved expenditure of the some $40 million required for this purpose.

It is true that some light reconnaissance helicopters are included in this year's estimates, but to my knowledge there is no provision for the heavier transport types which are required for moving troops and equipment on the battlefield.

So it is also with the personnel carrier. The Bobcat program has been slowed to a crawl. Instead of being accelerated and providing the desperately needed equipment to our brigade group, the government has done its best, and its best has been pretty good, to postpone necessary expenditures for budgetary reasons. The same story applies to a broad band of needed requirements; no money, no equipment. No money, that is, for the most important equipment. Some has been found for less useful projects.

The point is that the armed forces are starved for the type of equipment they require to do an effective job. It is a matter of regret and of deep concern that the appropriation for equipment for this fiscal year is the smallest since the post-Korean build up. It has been said that we have the best clothed and best fed forces in the world. It is not possible to say that their equipment is the latest or the best. We were told by the minister in his statement today that it should be; that their equipment should be second to none, but the fact is that their equipment is not the best. It is second and inferior to equipment they might face in the hands of their enemy.

Now we are advised that the armed forces are to be augmented by approximately 15,000 men of all ranks, but there is no corresponding increase in the appropriation for equipment. On the contrary, one wonders how the new personnel can be paid with the funds referred to by the minister. He has told us that only $35 million will be required for the balance of the year. According to the blue book the cost of military personnel for 1961-62, including operations and maintenance, is approximately $10,000 per man. On a proportional basis, therefore, the annual cost of 15,000 additional men would be $150 million, and that is before any allowance is provided for equipment. As more than six months remain of the fiscal year, either the government does not expect its new program to be very effective or it has not made adequate financial provision.

There is also the cost of training the 100,000 civil survival recruits and providing equipment for them. I will leave further discussion of this subject until later. In passing however, Mr. Chairman, I might say that I agree with the minister's statement today that there remains a lot to be done. His was the understatement of the year.

Our whole concern here is one of direction. The government is not putting proper emphasis on developing mobile forces capable of assisting in the deterrence of limited war or, in the event one should be waged, of containing it before it spreads into a major conflagration. It continues to place far too great an emphasis on weapons systems which are not needed to deter direct attack, which do nothing to deter limited war, and which are relatively useless in the event of an all-out war. The minister said in Toronto:

> Here in North America the major component of the threat to this continent is still the manned bomber regardless of what many of our so-called experts are claiming.

I would refer the minister to a book entitled "War and Peace in the Space Age" written by Lieutenant General James M. Gavin, who has this to say:

> In conclusion, in the missile-space age the earth will become a tactical theatre, and combat in space will have begun. Missiles will be the dominant form of firepower and air mobility will provide the key to tactical success in land warfare. Through air mobility we must discover the innovations that will give us the margin of advantage we need to win in land combat.

An hon. Member: When will that happen?

Mr. Hellyer: If Lieutenant General Gavin is correct, the minister is wrong on two counts. First of all the Prime Minister has told this house the missile is replacing the manned bomber as the main threat. The minister is now living in that unenlightened era of about four years ago. Second, if air mobility is needed in the field, the minister is missing the boat because his troops do not have any; and according to most of the experts, including Lieutenant General Gavin, they require it. I should like the minister to give more reasons why he and his government have delayed so long in providing this essential equipment.

It is interesting to note that in the long list of priority items presented by President Kennedy to congress on March 28 last there did not appear one of the major items on which the Canadian government is relying. Not one American penny for the Voodoo, the F-104, the Bomarc or the Honest John. The Canadian defence department has become a pawnshop for second hand American hardware.

Now we are being prepared for the introduction of atomic arms into Canada. The campaign to wear down the resistance in this house and in the country has begun. Speeches are being made by the Prime Minister and by the Minister of National Defence which lead us to believe that the introduction of these weapons is inevitable. The commander in chief of NORAD was brought to Toronto to make a speech which would frighten the Canadian people into submission. At this point, Mr. Chairman, I think I should raise the question of the propriety of the Canadian government asking General Kuter to come and make a speech designed to do the government's political chores. I think if the government has any policy in which it firmly believes, it should state the case and accept the responsibility without trying to palm it off on military officers.

Our position in this respect is the same as we announced last year. We still feel that atomic weapons in Canada are unnecessary at this time. We feel they are redundant. We do not think they add anything to the security of Canada, and we think they provide no protection for the strategic air command. In his speech at Toronto the minister gave as one of the reasons for continuing the expenditure of large sums of money on these weapons systems the fact that they provide some protection for the deterrent, for the retaliatory striking power of the United States strategic air command. This position was valid four years ago; it is not valid now. It was valid at a time when the bomber was the only threat to the North American continent. It is no longer valid.

The present situation, as the minister knows and as he should be expounding instead of having it done for him, is that if the Russians were to start a war now; if they were to embark upon a direct attack, they would not do so unless they had enough missiles to cover every American strategic air command base on the North American continent. That is fundamental. It would be suicidal—it might be suicidal anyway—for the Soviet union to start a war even by sneak attack if they did not have sufficient missile capacity to wipe out every strategic air command base in the first hour or so of the conflict.

The United States understands this. That is the reason for the accelerated programs to which I referred earlier in my speech. That is the reason the United States is stepping up the Polaris program. That is the reason they are going to accelerate the Minuteman program and alert more strategic air command bombers. They know that 30 minutes after war starts any SAC aircraft which is not off the ground will not be able to get off the ground.

The Chairman: Order. I am sorry to interrupt the hon. member, but his time has expired. Will the committee give unanimous consent?

Some hon. Members: Agreed.

Mr. Hellyer: I thank the committee for its co-operation. The minister should understand the point I have just made. This is at the heart of the United States strategy now. They know they will not have time to call pilots in after a war has begun. The only thing they will have with which to strike back will be those components of the retaliatory force which are invulnerable in the event of attack by missile in the first few minutes of conflict.

The minister's strategy is four years old. He is still living in the "aircraft only" age. He has not projected himself into the missile age. Perhaps he has received some wrong advice from the department. If he has he should overcome it, because that is what he is paid for, and I hope he will do it without too much delay.

There is one element of the SAC retaliatory force I omitted to mention. If the hardened missile bases did not receive a direct blow within the first few minutes of attack they would have a period of two or three hours before any bombers would reach their location, during which time the missiles could be launched toward the Soviet union. If they were not launched in that period of time they would have no opportunity whatever.

This is the sum and substance of the United States strategy. Under these circumstances our Bomarc, even if it had any utility whatsoever, and our defence mechanisms other than warning and reconnaissance do not in fact protect the deterrent. They may do other things, but they do not accomplish this end.

For this reason we continue to believe that it is not worth while to put Canada into the atomic club, into the group of atomic nations, when the advantage of having atomic weapons on Canadian soil is so negligible. We reserve the right to reassess this position if at any time in the future the west should be successful in developing a really effective anti-missile missile. That would change the picture considerably. At the present time, however, there is none, and we are basing our policy on the facts as they exist.

In respect to atomic arms for NATO, our position there, too, is the same as that announced in this house last year. We believe that the first and primary emphasis should be on the building up of conventional strength in NATO, the building up of the capacity to deter limited aggression, and the building up of a flexible response. We believe this is the first priority. Second, we have taken the position that if atomic weapons of the defensive type are required as a second line of defence in NATO we would not object to Canadian forces being so equipped if these weapons came under NATO collective control. We take this position with the knowledge that if we had sufficient conventional strength to stop any Russian attack for days or weeks, there would be adequate time for consultation and for the decision to be made. The Leader of the Opposition, if he has an opportunity to participate in this debate, will elaborate on the political aspects of NATO co-operation and on the control of weapons within the NATO alliance.

In respect to our contribution to the United Nations, this party is proud of it. We are proud of the part our leader has played in making the United Nations a useful vehicle for international intervention. We hope that Canada's role in this field will increase. We hope that the usefulness of the United Nations in settling and arbitrating international disagreements will increase. We believe that we in Canada should support and build up those types of mobile tactical forces which are most effective for that type of job. This is the policy we put forward.

I shall leave until later the discussion of the role of the individual services and some of the equipment items that have been ordered for them. I feel that they can be better dealt with when the specific relevant items have been called.

The whole purpose of the change of direction which has been suggested from this side of the house is to increase the effectiveness of Canada's contribution. We know we have to remain a member of the alliance. We know that the alliance is only as strong as the sum total of all contributions of the member nations. We do not think the Canadian contribution at the present time is adding very much to that collective strength. We feel that by a change in direction and by placing greater emphasis on the deficits in our collective strength we can make a much greater and more useful contribution.

There are side benefits, as well. There is the benefit of using in most cases equipment which can be designed and manufactured in this country, which will provide employment for Canadian workers. But this aside, the real purpose of our policy and the reason we urge a reconsideration on the government is this. We feel the government should stop wasting its money on Bomarc missiles and ten year old concepts. We urge it to enter the missile age, to accept the facts as they exist, and to attempt to make Canada's contribution to collective defence a useful and constructive one.

Mr. Pitman: Mr. Chairman, it is with considerable trepidation that I rise at this point to participate in this debate. The committee will realize that my participation is due to the absence of the hon. member for Vancouver East. I am sure all hon. members of the committee join me in wishing him the best of health and in trusting that he will soon recover and resume his place in this chamber.

I am aware that members of the opposition are at the greatest disadvantage in discussing the question of national defence and related subjects. Naturally there is available to the minister information which cannot be made available to those on the opposition benches. I therefore think it behoves us on this side of the house to perhaps apologize in advance if through misinformation or lack of information we should be led to say anything which on the basis of the minister's knowledge is grossly unfair and which, because of the requirement of secrecy, he is unable to answer.

Although, as I have said, I rise with trepidation and some concern, I am heartened by a statement attributed to a United States defence strategist, Mr. Walter Millis, who said:

> The ablest students of the subject are either in complete contradiction or in a state of frank bewilderment.

Mr. Pugh: Like the last speaker.

Mr. Pitman: I am not commenting on the interjection which has just been made by an hon. gentleman on my left.

This is the first opportunity the house has had to discuss the question of life and death in relation to the problem of national defence. There is no problem which appears to generate more emotion. There is no subject in respect to which clear, cold logic is more necessary. I think many of us sitting here will agree that the differences of opinion are not between those who are loyal and those who are disloyal; rather the division is as to how this loyalty and love of country can be best expressed. It is not a difference between those who want war and those who want peace. We on this side of the house are fully confident that those who sit to the right of the Speaker's chair are as determined for and as desirous of peace as we are, but rather there is a serious difference regarding how war may come in the 1960's and the kind of war it will be. Although we on this side speak a great deal of peace we do not stand with a great moral case and look down upon those who are seeking peace in other ways. That is not the difference in any way. We believe wholeheartedly in the good intentions of all hon. members.

Third, it is not a difference between those who are pro-American and those who are anti-American; rather we may have two views on how we can best be the allies of the United States of America. Surely, Mr. Chairman, it is not a debate in which such words as "pacifism" or "neutralism" have any place, because it is not a difference of neutralism versus active alliance; rather it is a difference as to by what form of international participation—"participation" is a word which I think all parties in the house accept—Canada can best make a contribution.

As I stand here I recognize that men of all parties have played an active role in the fighting for freedom which has taken place in this century; therefore this is a question on which the motives of all hon. members should never be questioned. We have all wanted a peaceful world. We may be divided on the means by which this peace can be obtained.

There are many approaches to the subject of preventing war. No doubt the most popular one is the historical argument—and it is a very telling argument in so many ways—that if we had maintained our alliances, if we had kept our weapons in the 1930's, we would have prevented the march into the Rhineland, and we would have prevented the march into Austria, Czechoslovakia and Poland. If we had kept our weapons we could have stopped world war II and the world would have been saved from the scourge of universal conflict. This is always a very popular concept, that history repeats itself; that we can avoid the mistakes of the past by heeding the warnings of the past.

Well, one historian has been very cynical, and has said that the only thing we learn from history is that we do not learn anything from history; but I think we can learn a great deal from history as long as we do not try to force patterns which do not exist; because the irony of mankind's story is that history never repeats itself.

The belief in the 1920's and 1930's was that if the world forsook arms it would be another way of finding peace. We believed that if we had set up a League of Nations we would have stopped world war I. In the 1920's and 1930's we would have stopped world war I but we failed to stop world war II. The difference is that in the 1960's it is quite possible that our policies may be directed at stopping world war II, but the dreadful question is whether it will stop world war III. Indeed, an aroused America and the presence of weapons in the 1930's would have prevented the march of Hitler but the problem, of course, remains, what are we to do in 1961? We may hope that the solution of the 1930's will stop us from the wars of the 1960's, but I have not quite that great confidence that it will; because we exist in a new world of new weaponry, of new patterns of events, and only new solutions will have any effect upon those patterns of events.

Just briefly I should like to quote from Sir John Cockcroft, who said in 1957:

> It is clear enough already, however, that our civilization can be destroyed in a night—

Probably it can be said at this time that our civilization can be destroyed in a few minutes. I continue:

> It is clear enough already, however, that our civilization can be destroyed in a night if ever these great forces are released for our destruction. This presents the human race with the greatest challenge it has ever had: to co-operate in disarmament and so to banish the threat which now hangs over the whole world.

I realize, of course, that this government has played a great part in its attempt to bring about disarmament. This is a problem which we face. I think our defence policies and our external affairs policies must be dovetailed, must indeed be the same, and that anything which takes place in defence must in no way compromise or interfere with what is taking place in the Department of External Affairs in preventing war; because surely this is the end of our defence policy. A former minister of national defence said in this house last year that the primary aim of our defence policy must be not to win war but to prevent war. He certainly would be supported by

General MacArthur who said that it is a form of mutual suicide, and the entire effort of modern society should be concentrated on an endeavour to outlaw it.

Will you call it one o'clock, Mr. Chairman?

At one o'clock the committee took recess.

AFTER RECESS

The committee resumed at 2.30 p.m.

Mr. Pitman: Mr. Chairman, when we adjourned for lunch at one o'clock I had opened my remarks by suggesting that the end of defence policy is always the same for all parties. The security of the Canadian people, security of life and property and also, as the Minister of National Defence pointed out this morning, freedom of the Canadian people. We are as concerned with the quality of life as we are concerned with life itself. I attempted to point out that no defence policy can be found in 1961 by looking at the past, by assuming that we can stop a third world war by means by which we could have stopped world war II because, as one great historian and theologian, Reinhold Niebuhr, has put it, this is the irony of human history. It is not that we wish war; it is simply that we cannot make the intellectual jump to keep us sufficiently ahead of events to prevent a new pattern from emerging which will bring war while we are trying to decide on how to deal with the older pattern.

So too in respect of weaponry we have become enamoured of the weaponry of the past. As the hon. member for Trinity suggested this morning, we are four years behind and perhaps in our basic concepts we are even further behind. A look at past wars will convince us that the first few months of every war have been fought with the weapons of the preceding war. We tried cavalry in world war I and the Maginot line in world war II, and we are still trying to defend against manned bombers in 1961. In spite of the fact that manned bombers are certainly the most accurate form of attack, none the less these are not the weapons which in my opinion will be used in any war which might begin within the next few years. Indeed, I understand that the accuracy of the long range missiles which the Russians are developing was such as to mean a degree of error of two or three miles, but that margin of error has been cut down tremendously over the last number of months. So in a real way we are bound by the past and we even talk about past events, but so far as an all-out war in defence of the North American continent is concerned there is no defence. We are confusing the word "defence" with the word "deterrent", and we in Canada can play virtually no role in the realm of deterrence.

No more can we talk of winning the war. This is entirely irrational. I think the Minister of National Defence was quite right this morning when he said that we should not be motivated by fear, but I think we should be basing our defence on a realistic and rational realization of what the stakes really are and what kind of war we are really going to be fighting. I think it is rather important to know that each of the 16 missiles on each of the five Polaris submarines has more power than all the bombs dropped during the last war.

There seems to be a peculiar notion in some circles that this is going to be a limited nuclear war and that only a certain number of bombs which we know Russia and the United States have will be dropped, but surely this is a strange strategic concept. Surely when this war begins it will have to be an all-out war for the first few seconds. All the power of the opposing side will have to be destroyed; because if this is not done the subsequent attack by the opposing power will be such that it will bring about certainly most unacceptable damage to the country which originally launched the attack.

The United States has suggested that one and a half thousand megatons dropped on the United States would kill 49 million people, with only 263 bombs dropped. We know that the U.S.S.R. has 20,000 megatons capable of being dropped on the United States, and only 9,000 would be needed to wipe out all life. These are only a few statistics, but I think we should all know the stakes not in order to increase fear but in order to know exactly what we can do in this kind of situation.

Not only is it impossible to compare the policies of the past and the lessons of the past, but it is irrelevant to compare the role which Canada can play. In world war I Canada played a magnificent role in the forefront of the western front; indeed, she was the pride of the western front. In world war II we played an extremely important role, not as dramatic but as valuable. In world war III we will find ourselves in a world of two giants and we, as one author has put it, will be peeping between the legs of these giants. We will virtually have no role whatever. In other words, to put it in the vernacular, we are out of this league. We should therefore try to ascertain where we can best make a valuable contribution to the peace of the world.

It was in recognition of these facts, that we can no longer expect the old weapons will be used or that our role will necessarily be

as it was in the past, that the New Democratic party has tried to base its belief once again on a defence policy that will guard the life and property of the Canadian people as well as the freedoms and liberties of the Canadian people. It must be a policy which will take into account the uniqueness of our present situation.

We stand on two premises. The first is that we should do nothing in defence which will limit our activities in the area of diplomacy in seeking out a real peace. Yesterday the Prime Minister talked of the Secretary of State for External Affairs as the idealist. We in this corner feel the minister is a realist in terms of the kind of world in which we live. He is determined that war will not take place; and that must be our basic policy, to prevent war. It makes it very difficult for us to be enthusiastic proponents of disarmament if we accept nuclear arms or if we are so two faced about it that the other countries do not know whether or not we are accepting them. We cannot fight to limit the nuclear club, so to speak, to those who have the weapons now if we give any indication that we wish to join the nuclear club. We have heard of the big threat in the production of atomic weapons whereby countries, perhaps 25 in the world, will be able to arm themselves with these weapons. This is the area in which Canada must make a real contribution, to keep nuclear weapons out of the hands of more nations. It is for this reason I suggest our defence policy must in no way compromise the activities of our diplomats in this cause.

The second premise on which we have based our policy is that Canada is a middle power in size, in population and in opportunities. We cannot, like Stephen Leacock's hero, jump on a horse and ride off in all directions. We feel it is not possible for us to go in even one direction. But we feel that by going in too many directions we could lose all direction. I think the Minister of National Defence would agree with this proposition, that at certain times it might mean more to the security of the life and property, to the security of the freedom of the Canadian people, if we were feeding the people of southeast Asia rather than providing a certain kind of missile. It is for this reason we say that our participation must be a directed participation, not a directionless participation; one that has possibilities for Canada as a middle power.

As we have said, the significant fact is that the really big league defence is the deterrent. The deterrent has reached the area of the overkill. We have heard some interesting information this morning about the extent to which our friends south of the border have been carrying on their program of deterrents. Canada can play no vital role in deterrents.

The problem is, where can we play a significant role? We believe that this area is the field of foreign aid. We can play an important role here, and we must not allow our activities in the area of deterrents to destroy that role.

This morning the minister used a very interesting example. He said we should not wait until the bear is ready to attack before we buy a rifle. We would all question the sanity of any person who waited until the bear was ready to attack before he bought a rifle. We would also question the sanity of a person who made no decision about shells when he bought the rifle. This situation exists in Canada today. We do not know what the shells are going to be in terms of this rifle. We are told that the weapons we have bought are practically useless without nuclear warheads, the reference being to the Bomarc and the CF-104.

Well, is it possible that we are waiting to let propaganda, to let the effect of the weapons themselves, make the decision for us? Are we going to have a clear-cut position taken by this government, one which can be debated in this house; because it will be clearly impossible to debate the possibility of acquiring nuclear weapons when the time arrives. There will be no time to discuss or debate the subject at that time. Of course the whole example breaks down badly. A better example might be that of a person who buys a bottle of nitroglycerine to throw at the bear so he can blow himself up and the bear at the same time. One cannot claim to compare nuclear weapons with a rifle in terms of a war.

We believe, then, that there are three kinds of war. The first is one which will start by mistake, and that is why we are wholeheartedly behind the activities of the man we refer to as a realist, the Secretary of State for External Affairs, in his attempt to continue efforts at disarmament. Second, there is the war that might be started by the two great powers. If this war comes I seriously doubt whether Canada will have any part to play whatever. It seems inconceivable to me that the decisions which will have to be made in consequence will provide time for consultation with the NATO allies, and particularly Canada. It will require secretiveness in terms of manning the submarines, the intercontinental ballistic missiles and so on, to such an extent that this war will be decided by a very few men on a very limited part of the earth's surface.

As this debate goes on we would hope to have the opportunity of looking at this blue book of national defence in the light of a

possible nuclear war between the great powers and seeing what these deficiencies are. This is something which will be carried on if this debate continues. We can detect, with the D.E.W. line and reconnaissance aircraft, but we do not feel that the D.E.W. line and this reconnaissance is necessarily a part of our NORAD arrangements.

But there is a way in which Canada can make a real contribution in terms of a limited war, the kind of war which has been breaking out so often. Since the end of the second world war there have been some 30 of these limited wars. We have many young nations arriving on the scene. All of us know that during the first years of nationalism, aggressive tendencies very often come to the fore. This is the area in which we feel the defence policy of Canada can play a part. We should have a mobile force capable of taking police action in other areas of the world where these situations might arise.

We feel there should be a reappraisal of Canada's defence policy, a reappraisal of the determination to prevent war.

We feel that we must leave NORAD. We feel we should have an expanded foreign aid program. We have suggested 2 per cent of the gross national product, not because we are being unrealistic in terms of Canada's possibilities but because we are trying to be realistic in terms of the need. This need has been mentioned by the Associate Minister of National Defence and other members, notably the hon. member for Greenwood. We want to cut down in our defence expenditures in areas where we feel there is waste in terms in the kind of war which Canada will be undertaking if the possibilities should materialize. It is rather frightening to realize that in the cost of war, or of preparing for war, mankind is spending at least $120 billion a year. If we could spend that amount on peace we could bring up the income of each person in China, India and Pakistan. We could double their income. We could provide adequate housing for 240 million people in underdeveloped nations. We could give the three billion hungry people food and medical care.

Mr. Jones: I wonder whether the hon. member would permit a question just in order to clarify the stand he is setting forth on behalf of his party? Is he advocating that we dismantle our military defence forces and turn all the money into foreign aid? Is that what the hon. member is advocating?

Mr. Pitman: No, that is not what I am advocating. I suggested that we should be selecting areas where we are playing no part whatsoever. I think the Bomarc missile is a very good example of an area where we could very well be spending something on foreign aid. We have suggested no nuclear weapons on Canadian soil.

Mr. Jones: May I ask a further question for the purpose of clarification? I understand that our expenditures for Bomarc bases run in the area of $15 million. Is that the amount of change the hon. member is advocating, or is he advocating some greater change?

Mr. Pitman: I have been advocating a change in other areas, but I have certainly not suggested the disbanding of the military forces. If the hon. member will wait until I have finished I am sure that position will become evident.

We suggested there should be no nuclear weapon on Canadian soil because it adds nothing to deterrence. It does not defend us, and we lose immeasurably in our moral force. The Secretary of State for External Affairs said that we must have faith and courage. This is an area where possibly faith and courage will be very necessary.

I should like to read a short editorial or a short excerpt from an editorial which appeared in the *Globe and Mail* of May 4, 1961:

> Canada's two Bomarc bases will be ready within a few months to launch their missiles against hostile bombers. During this interval we can expect increasing pressure to tip the Bomarcs with nuclear warheads. Proof of this pressure is found in parliamentary debates like that on Tuesday when the external affairs minister, Mr. Howard Green, said a decision to acquire nuclear warheads depended on progress that is made in the next few months toward disarmament... Already the defence minister, Mr. Douglas Harkness, has declared that the full potential of Bomarc launching sites cannot be attained without nuclear warheads.
>
> Lieutenant General Robert M. Lee, vice commander of United States air defence command, having no need to worry about elections, has stated flatly that Canada's two Bomarc bases are useless without atomic warheads.

He also goes on to point out the seriousness of any such stand.

Mr. Churchill: I wonder whether the hon. member would give the date of that quotation.

Mr. Pitman: Yes, the date was May 4, 1961. The heading of the editorial is "Ban the A-Bomarc".

I have here an editorial which appeared in the Toronto daily *Star* of May 11, 1961:

> The nuclear arms now being considered by the Canadian government are warheads for the Bomarc anti-aircraft missile. The Bomarcs are for use against manned H-bombers—a declining threat. They are useless against intercontinental missiles.
>
> "They will contribute precisely nothing to our safety in the event of a nuclear war," says Maj. Gen. W. H. S. Macklin, former adjutant general of the Canadian army...
>
> Our obvious interest is to do all that a middle power can do to prevent a general holocaust. Renunciation of nuclear weapons would serve that

end, whereas acceptance of them would sabotage the crusade of external affairs minister Green for world disarmament.

I think that is a position which we in this party can accept. We also accept the suggestion of the development of a brigade of troops which we can keep in areas where limited wars are taking place. I think we were all heartened by the suggestion of the Prime Minister yesterday and of the Leader of the Opposition the day before that this was a role for the United Nations. Would it not be extremely valuable if we could go to the United Nations session when it opens and suggest that we have a brigade ready to move to the Brandenburg gate, to take part in the guarding of the access roads or in the prevention of any activity there which might create a nuclear war? Would it not be worth while if we could join, possibly with a member from the eastern bloc or possibly with a member from the neutralist bloc, in providing those forces? We have done it previously and, as one person has put it, this was our finest hour at the United Nations. Is it not time that we began to work in that direction once again?

We were also interested in the remarks made by the Minister of National Defence with regard to the defence research board, and we shall be discussing some of the matters under that head as time goes on. Is it not time that we had a peace research institute, as suggested by a scientist in the Oakville area, Mr. Norman Alcock, within the Department of National Defence? So long as we have hundreds of men seeking to find methods of creating armaments and only a few in the area of disarmament dealing with peace, we have very little opportunity to bring the scientific approach to the area of peace as well as to that of war. Could it not be independent of our national government but subsidized by the national government and working along with the Department of National Defence and the Department of External Affairs?

The Deputy Chairman: Order. I must advise the hon. member that his time has expired.

Mr. Pitman: I thank the house very much for this opportunity. I shall be only one or two minutes more.

The Deputy Chairman: I should put on record the consent of the committee, if the hon. member does not mind. Does the committee give its unanimous consent to give the hon. member additional time?

Some hon. Members: Agreed.

Mr. Pitman: For example, we are very much concerned about accidental war. Is there no possibility that we could have scientists working in areas which would help us to provide a means of guarding against this happening? I think all of us have been concerned that at SAC headquarters there have been situations in which the screen detected something but they were not sure what it was, and it later turned out to be a flock of geese. We are concerned that such a very small thing might very well touch off a nuclear war. Could we not have some means of providing scientists with an opportunity of doing research into ways of stopping war, even in the area of psychology as well. We are concerned as to what effect disarmament would have on our economy. Surely a defence research board working for war could well be set off by a peace institute working for peace.

I have attempted to put forward a very general pattern of the New Democratic party's program in view of a new and frightening world and in view of the weapons of annihilation. Canada should not be fearful but rather should be determined to play a role in an area in which she can have some effect. We can do very little or virtually nothing in the area of deterrence of all-out war. We can play a role in deterring a limited war, in taking police action within the United Nations structure or of taking police action in such areas as Berlin; extending our foreign aid programs; a defence policy exhibiting our desire for peace and placing weapons for peace in the hands of those who are to seek peace at the negotiation tables of the world.

These are the hopes of all parties, that we can find a policy which will bring security and freedom to the people of Canada.

We certainly hope that the defence of our nation will be looked after with efficiency, but we are concerned even more that it should be looked after in the light of the new events, the new kind of world in which we live, and with the new policies which must be adopted.

Mr. Sevigny: Mr. Chairman, I have listened with great care to the speeches which have been made during the initial stages of this debate, first of all by my colleague the Minister of National Defence, and then by the critic of the official opposition and my good friend the hon. member for Trinity. I have also listened with care to the most interesting speech just delivered in this committee by the hon. member for Peterborough. I should like, with your permission, Mr. Chairman, to start my remarks in French and then to continue in English.

(Translation):

First of all, I should like to tell members of the committee how much I have been considering myself privileged, since my appointment to the position I now occupy in the Department of National Defence, to serve with two highly distinguished colleagues.

I should like first to salute my excellent friend and colleague, the Minister of National Defence (Mr. Harkness) who, after a remarkable military career, has added to his talents of a born politician those of a very competent administrator.

I should like also to salute the Hon. George Pearkes, who is now occupying the exalted functions of lieutenant governor of British Columbia. The Hon. Mr. Pearkes has also had a most remarkable military career. All those who are familiar with army life see in him the greatest contemporary Canadian soldier. As a cabinet member, he showed outstanding talents as a politician as well as an administrator. I know that he is carrying out very efficiently the important duties entrusted to him, and I wish him many years of happiness and great success in all his endeavours.

In the statement he made before the committee, the Minister of National Defence clearly defined the situation which is facing us. In the course of my remarks, I will try and avoid any unnecessary repetition of the arguments he put forward. I feel however that it might be useful to acquaint members of the committee with my personal views on military matters under review in this debate. I should also like to reply to the criticisms made by our learned friends of the opposition, concerning the military strategy and tactics used at this time by the Department of National Defence.

Mr. Chairman, it is most unfortunate that in 1961 we should still find it necessary to speak of defence and worry about events which are happening in a foreign land and which threaten us with a third world war. It would have been logical to think that after two horrible wars which tore our civilization and caused millions of deaths, countless sufferings and incalculable destruction, mankind would have come to realize that wars are useless and that it is only in peace that can be found progress, prosperity and salvation of future generations.

It would seem that the sacrifice of those who gave their lives on the battlefields of the world where they fought with enthusiasm and conviction, should have been acknowledged with something else than the war threats which are hovering over the world today.

But we have to admit that mankind did not learn, and today more than at any time in its history, this earth of ours is threatened by the most terrifying cataclysm that be, a nuclear attack, if it should ever take place.

And yet, it seems that the ideal for which our fathers and brothers fought in two successive wars was an ideal of truth and justice. The various nations should have realized that happiness and our very civilization lie in the pursuit of that ideal. Indeed, Mr. Chairman, is there in the world anything more beautiful than this freedom we defended on the battlefield in two consecutive wars? Is there anything finer than this freedom of speech, of thought, of religion, of expression, this freedom to choose freely our own way?

Is there anything finer than freedom? How is it that half the world, instead of realizing the blessings of freedom, is now attempting to spread communist theories which can only lead civilization to the most unfortunate and cruel slavery.

Anyone who has travelled in the underdeveloped countries of the world realizes that this democracy in which we believe and our principles of life are the best, and that it is through the observance of those principles that we have succeeded in attaining our present standard of living which is rightly considered as the highest in the world today.

Those who appreciate the extent of our development should readily understand that happiness and progress are to be found under the democratic system and that they should give up these communist theories which, as I just said, can only bring chaos, confusion and disorder to the peoples of the world.

But let us face the sad facts: what we have to cope with in 1961 is a struggle between two ideals. Our ideal, the one which we feel is the only noble and fine one, is that of true democracy as we know it; our opponents' ideal is that of communist expansion throughout the world. Unfortunately, both sides have at their disposal extremely powerful weapons and we must live with—we come back on that point in each of our speeches and that thought is with us at every moment of the day—the possibility of this abominable catastrophe of a nuclear attack.

In the advent of a nuclear war, the aggressor would most definitely have an advantage.

It is obvious that if the attack is violent enough, he will be able to cause incalculable damage to the attacked country. Yet, on the other hand, the aggressor is not without knowing that practically as soon as he attacks there will be retaliation and that he will be destroyed and even wiped off the face of the earth. Therefore, nuclear war can only lead to the complete ruin of civilization, to the end of the world.

It is indeed because of the sheer horror of such a possibility that we find some comfort despite the problem facing us. We do believe that mankind will not agree to exterminate itself; but rather it will realize that a nuclear war can but lead to the worst disaster and that in such a war there will be neither victor nor vanquished. For that reason, we are led to believe that such a war will not happen. A comparison may be made between what happened at the outset of the second world war and what is taking place today.

At the beginning of the second world war, both sides had in their possession arms which were extremely powerful, such as poison gas and bacteriological weapons. But the thought of how horrible would be gas warfare or germ warfare made both sides hesitate to use them, and in fact they were not used. Similarly, we do believe today that nuclear weapons will not be used and that the world we know and the generations to come will be protected from the awful disaster which would result from nuclear attacks.

We must recognize that mankind has known many wars, that man apparently has yet to realize the blessings of peace, and so we can suppose that there may be other wars which, even if there are no nuclear bombs dropped, will be just as dreadful and will result in a greater bloodbath than the ones we have known during the disasters of 1914-18 and 1939-45.

We know that our opponents have at their command enormous forces, powerful armies equipped with the conventional weapons we know of, that is a mighty artillery, tanks and a well trained infantry. And for that reason, it is imperative that we should have, in the face of danger, such weapons and also a well equipped army, a navy formed of most modern units and an air force with a capacity to strike or to resist any attack.

This is why it is necessary, in 1961, to deal with those defence problems, to appropriate enormous amounts in order to be well prepared, and to remember the proverb of Juvenal, the Latin philosopher who said: Si vis pacem, para bellum.

I agree with the hon. member for Peterborough (Mr. Pitman) who deplored a moment ago, the fact that it is necessary today to spend large amounts to defend ourselves or to counter-attack when in fact it would be so much more preferable to use that money for more useful purposes, to improve conditions in economically weak countries and even to foster prosperity, well-being and progress in our own countries.

All sound-thinking men are of the same opinion and would like to see come to an end that arms race, those enormous war expenditures. But all sound-thinking men are also aware of the fact that a single moment of weakness on our part, such as disarmament at a time when our opponents seem to arm themselves, could very well bring us total disorder and lead us to ruin. The best proof of the truth of what I just said is that if the world was saved from the horrors of a third world war it is in fact due to the power of that organization we call NATO, which succeeded in preventing a third world war since its founding 12 years ago.

Here in Canada, regardless of political parties, we want peace. We are wishing for it, as those men of 1914-18 and of 1939-45 wished and yearned for it. But, like them, we shall fight if necessary, because, like those who fought during the last two wars, we know that our way of life is the best and that the freedom we enjoy is still man's greatest gift.

Our soldiers, in the first world war, fought with the utmost courage alongside their brothers of allied nations; it is thanks to their sacrifice that peace prevailed, and it is also thanks to what they did that we succeeded then in protecting man's freedom. Their successors, those who fought from 1939 to 1945, showed an undaunted courage on the battlefields. We owe an enormous debt to those soldiers who, at the cost of their lives and of countless sufferings, fought for freedom. We wish that our efforts to safeguard that peace for which they fought become a tribute to their gallantry and the recognition of their sacrifices.

We shall take all means at our disposal, alongside our colleagues of the other NATO countries, to preserve that peace so hardly won.

We hope that Providence will enlighten the minds of men and protect us from the disastrous consequences of a nuclear war.

(Text):

Mr. Chairman, I listened with great care to the remarks which were made in committee by the hon. member for Trinity. Although I share many of the hon. member's views and believe that certain of the points which he described are worthy of consideration, I feel that other parts of his speech are not quite related to the facts, and I should like to advance certain corrections to some of the statements which he has made. The hon. gentleman did not mention today that Canada has no defence policy.

Mr. Hellyer: I should have. It was an omission.

Mr. Sevigny: That is a view that has been expressed many times by the hon. member, and he has kindly expressed it again just now. To say that Canada has no defence policy is rather silly for it is equivalent to saying that NATO has no defence policy this for the simple reason that the defence policy of Canada is based on decisions which have been taken over the years at the NATO conference table, decisions which have been arrived at only after lengthy and most careful consideration. Canada is a partner in the marvellous association of NATO which has done so much since its inception 12 years ago to preserve world peace.

Each member nation has a definite role to play in NATO, a role which has been determined according to the capabilities, abilities and resources of the individual nation. It is this role which is allotted to each nation, and which is played individually but for the interests of the collectivity which forms NATO, and which represents the strength of this organization. NATO is truly the only organization which stands between the way of life in which we believe, namely the democratic way of life, and the onslaught of the forces of communism which threaten the world today. Therefore to say that Canada has no defence policy is equivalent to saying that NATO has no defence policy, and is almost an admission that it is useless to try to defend ourselves against the forces which menace us.

We in Canada have a very definite defence policy. We have an army which plays a specific role within the NATO forces and in the shield forces of the European continent and elsewhere where our men are requested to serve. We have a navy which plays with distinction and great efficiency a definite role in the war which is continually being waged against the danger of a submarine attack. We have an air force which plays many roles. In Europe with the F-104 plane it will act as a strike reconnaisance group in the No. 1 air division which is over there. It plays a most essential and still most necessary role of interception here in Canada against the possibility of attack by enemy manned bombers. It also plays a role in locating enemy submarines which could threaten our shores, and it trains itself continually so as to be able to destroy those submarines which may attack our country at some later date.

The defence research board plays a role of primary importance in the scientific world. Achievements of considerable importance have already been realized by the defence research board, and it is reasonable to suppose, in view of the great efforts which are being put forward by all its members, that it will carry out this useful role in the defence of our nation and the world that we know.

The hon. member for Trinity asked a few questions and made a few statements during his remarks which seemed rather strange to us. For instance, he hinted that the Americans had based their most recent defence decisions on the Liberal program which was enunciated at this rather sad performance which took place in Ottawa this last January when the Liberal party held its convention. It seems to me that the major items of policy which were contained in the speeches made by the hon. member for Trinity and others who expressed themselves at the convention were to scrap almost all the methods of defence that we have at the present time and actually almost to leave the defence of our territory to our great and powerful southern neighbours. I fail to see the resemblance between policies adopted and enunciated by the President of the United States and the other American leaders and the policies announced during that Liberal convention.

The hon. member for Trinity mentioned the fact that he was in doubt concerning the use which would be made of the 1,100 men who will be reinforcing our overseas brigade within the next few weeks. It seems to me that the answer is a very simple one. Those men will go to Germany in order to reinforce our brigade thus making it a stronger and better fighting unit, if this is still possible. I mention this last part since it is well known in Europe that the best fighting unit among the land forces in the shield force of NATO in Europe is this Canadian brigade. When I visited the SHAPE headquarters in France approximately

a year ago it was indeed most gratifying to hear the generals from all nations voice their admiration for the quality of our Canadian soldiers, for the ability of their officers and for the levels of training which are being achieved by this truly remarkable force which is our Canadian brigade overseas.

It was mentioned by the hon. member that this brigade is not equipped with sufficiently modern weapons. This is rather strange, because once again when I was at SHAPE over a year ago it was mentioned by one and all that the other nations of NATO were envious of the quality of training of our Canadian brigade. It was frequently said that they possessed weapons which are of equal if not greater power than the ones with which the other nations are equipped.

It was mentioned also by the hon. member for Trinity that it was too bad indeed that the brigade over there was not equipped with helicopters. Well, he knows perfectly well that helicopters have been ordered for reconnaissance purposes and that the brigade leaders are quite satisfied with these arrangements.

The hon. member for Trinity mentioned the Bobcat program, and said it was at a standstill. Nothing could be further from the truth. On the contrary, the Bobcat program is being pushed forward as rapidly as possible, and is definitely on the move. The hon. member should know that the development of such vehicles is a long and slow process. For example, he should know that the British started to develop a vehicle more or less like the Bobcat at an earlier time than we did, yet their development program is far behind our own Bobcat schedule. I repeat, this program is going forward as quickly and as efficiently as possible.

Where the hon. member found the figure of $10,000 per man which he mentioned I do not know.

Mr. Hellyer: In the blue book.

Mr. Sevigny: The true fact is—and he can verify this if he wishes—that the figure is much closer to between $5,000 and $6,000 per man than to the figure he mentioned. He also talked about mobile weapons, without explaining exactly what he meant by "mobile weapons". Let me tell him this, and again he can verify this if he wishes. It is a fact that our brigade in Europe, as well as the other brigade in Canada, are quite mobile and equipped with the most modern conventional equipment that can be procured under present conditions and at the present time.

Then he talks about the threat of an attack by missiles. I agree with him that such an attack would indeed be a dreadful thing if it ever occurred and there is no doubt, as we all admit, that some day the missile threat will replace the manned bomber threat that faces us today. But there is one thing which the hon. member has not mentioned and that must be mentioned. There is at the present time and there will be for some time to come a definite threat of an attack by enemy manned bombers equipped with the most lethal weapons, and because of the presence of this threat it is considered by the NATO forces, by the NORAD command and by all sound thinking persons interested in a sound defence of this country and the northern hemisphere that we must use all possible weapons at our disposal in order to destroy the threat of these manned bombers which may still attack our shores.

Possibly the hon. member has not read what we have read, but it has been published many times in recent months that not only is the supposed enemy still flying bombers but it is still producing these bombers, and until such day as we are assured that there is no threat from a manned bomber attack we consider it our sacred duty to have suitable defences against these bombers. These suitable defences are found in the existence of the three detection lines and in the presence of the interceptor planes which we have put at the disposal of our air forces.

The Deputy Chairman: Order. I am sorry to interrupt the minister but I must advise him that his time has expired. Is it the wish of the committee that he be allowed to proceed?

Some hon. Members: Agreed.

Mr. Sevigny: Perhaps you will permit me, Mr. Chairman, to thank the committee for their consideration in allowing me to continue. I was most surprised when I heard the hon. member for Trinity say that it was the government of Canada that had asked General Kuter to speak in Toronto. General Kuter did not speak in Toronto at the invitation of the Canadian government. He was invited to speak there by those in charge of the international air show. The distinguished commanding officer of NORAD made a very fine speech indeed on that occasion and I am quite sure that he did not advocate the arguments which appeared in the manifesto of the Liberal party at their recent convention. I am also quite sure that he did not share the views expressed in the house only this morning by the hon. member for Trinity.

Along with the other member nations of NATO we are trying at the present time to build up our conventional strength simply because we know that our enemy will be impressed only by the strength of our forces and by the determination which will be

shown by NATO and the forces of the member nations to defend our way of life, to defend the freedom in which we believe at all costs and in all parts of the world.

The hon. member for Trinity finally accused us of not doing enough. He said that we were not trying to build up our forces by the purchase of equipment manufactured in Canada which, by being produced in Canada, would provide employment for our people. This again is false. On the contrary, the Department of National Defence and the Department of Defence Production are trying by all possible means to encourage our Canadian industries whenever it is possible to do so. We are doing this constantly and at all times and the best proof can be found in the production program of Bobcat vehicles, trainer aircraft, and so many other necessities.

Once again, as is the custom of members of the official opposition, the hon. member for Trinity tried to hint that there was no such thing as a defence policy for Canada. He tried to create the impression that there was only confusion in the defence department and no spirit of decision anywhere in the minds of those entrusted with the responsibility of national defence. As I said a moment ago, to say that Canada has no defence policy is to say that NATO has no defence policy since our policy is an integral part of the general NATO defence policy. To say that there is confusion and indecision in the minds of those entrusted with the care of national defence in Canada is actually casting a slur on the competence and devotion of those officers and men who are performing such a marvellous job in the service of their choice here in Canada, and elsewhere in the world.

I do not hesitate to say that we are indeed privileged to have such dedicated, competent and able men as leaders of our respective services. These men are well trained. During long careers they have given proof of their ability. The many decorations they have received and the long succession of promotions which mark their careers indicate the degree of confidence which they have enjoyed from their superiors and from the various leaders of government who have actually had in their hands the destiny of the nation during the last two or three decades. These men deserve the confidence of those who serve under them. They deserve the admiration, which they have, of those who serve with them. I do not hesitate to say that we are indeed privileged in Canada to have such distinguished leadership in all branches of our services.

If the worst should come, and if we have to fight again, I do not hesitate to say that we shall once again win the battles of tomorrow just as we won the battles of yesteryear, and this for many reasons. The main reason is that we have right on our side and that right in the days of tomorrow will triumph as it has always triumphed in formers years. We shall win again because I believe that here in Canada as elsewhere in NATO, we have the finest possible leaders and also because we have here in Canada and in the allied armies men who are determined to preserve at all costs this way of life which is ours and this freedom which we cherish almost more than life itself. Let us hope that the horrors of a nuclear war will never be present in our lives, and that God will guide the minds of men towards the road to peace.

Let us hope that the days of conventional war may also be at an end. It may be that there is still enough humanity and justice in this world for men to realize the futility of wars and to accept that only through peace can we make any real progress as free men.

Mr. Badanai: Mr. Chairman, the announcement of Mr. Khrushchev that the Soviet union had resumed testing of nuclear weapons is having consequences which, at the moment, can be assessed as being of far-reaching effect in dashing the hopes of mankind for a peaceful settlement of differences between the Soviet and the western powers. It would almost appear that they have slammed the door shut on future efforts to maintain an honourable peace. The leader of the Soviet union is acting like a spoiled child who is losing an argument and turns to violence to put his point across. His resumption of nuclear explosions in the atmosphere has shocked not only the west but the entire world. The "ban the bomb" groups who raised their voices here in Ottawa earlier this year, as well as in other places on every possible occasion, suggesting that if the west gave up nuclear projects peace would suddenly descend upon the world will now surely have to change their thinking. I wonder how well they would fare if they were to parade their banners before the Kremlin in the same manner as they paraded before the parliament buildings last spring?

A question now arises about the right of one nation to contaminate the atmosphere around the entire globe with radioactive fallout. The sober statement of the Minister of National Health and Welfare this morning pointed to the grave danger to which people everywhere are being exposed. If Mr. Khrushchev continues these uncontrolled explosions he will go down in history, if any history books remain, as having committed the greatest crime of all against humanity.

The explosive international situation which has taken a serious turn during recent weeks has given national defence priority over any and all other subjects for serious consideration by the government and by parliament. Indeed, the statements of the Prime Minister, the Secretary of State for External Affairs and the Minister of National Defense, indicate that the whole question of national defence has become one of great urgency. It is a pity, however, that the government did not foresee this urgency earlier in the year. Had we taken the necessary measures at that time to put Canada's defence effort in proper perspective, we would now be in a better position as a middle power to offer the most effective effort in the defence of peace. We believe in a permanent international police force under the United Nations. Canada should maintain, equip and train mobile forces with air and sea transport for the United Nations.

The statement of the Prime Minister on Thursday last promised new defensive measures which will increase our armed forces for overseas duty as well as speed up the program for civil defence. I, for one, will not quarrel with a frank appraisal of our present inadequate facilities for both defence and survival. All I have to do is look at the almost total absence of armoury facilities in Fort William, a city of 45,000 and serving a rural population of an additional 10,000 to be reminded of the inadequate facilities.

In about 1920 an armoury was established on the premises of an old departmental store building located on one of our busy business streets. This building served until world war II, when the city turned the Fort William hockey arena over to the federal government to provide the space required by the exigency of war, then in its third year. This building served as an armoury until 1958, at which time it was condemned and torn down. Fort William has been without an armoury ever since.

I should like to point out to the minister the highly successful army unit which was served by the old armoury. They were the 18th medium battery, Royal Canadian Artillery; the second 4th field ambulance which was to sustain the 4th field ambulance unit serving overseas. It was from the personnel of this regiment that the 35th technical squadron and a provost unit were formed. For the purpose of showing the value of an armoury at Fort William I am going to enumerate the units using that facility at the time it was closed down. They were the 118th medium battery, Royal Canadian Artillery; the 17th medical company, Royal Canadian Medical Corps; the 35th technical squadron, Royal Canadian Engineers; the provost unit, Royal Canadian Provost Corps, the highly efficient units of sea cadets, army cadets and air force cadets.

A movement for a new armoury was initiated immediately after the building was condemned by the fire marshal for the province of Ontario. In 1956 the prairie command gave top priority to this building, and I am informed it was near the top of the list in the Department of National Defence. The significant reason this request failed to materialize was the abandonment of the 67th as a regiment. However, in 1959 a petition for a new armoury at Fort William was signed by 5,000 responsible property owners of the city, supported by the Fort William city council, the chamber of commerce and the Canadian Legion unit of the area, and it was presented to the then minister of national defence. The city of Fort William made an offer, which still stands, of a suitable site free of charge. This site was approved by the prairie command which had jurisdiction of the area at that time.

At this point, Mr. Chairman, I wish to stress a few irrefutable reasons why the establishment of an armoury in Fort William should not be delayed. Fort William is the granary of the continent and merits special consideration for army protection as it is vulnerable to attack from many directions. Fort William has always had a strong military organization and the nucleus is available for a renewed effort to recruit a new unit.

Decentralization of military and emergency measures organization forces is considered essential. Fort William is located in the centre of Canada, ideally located for a training and operational base.

The cadet movement is particularly strong, but requires a proper armoury in which to train our youth. Recruiting is slow, for the absence of a central location and adequate equipment discourages not only the officers but also the potential cadet.

Fort William is interested in organizing a mobile unit as part of the emergency measures organization. This is required to support our survival plans, and will do much to encourage our citizens to take an active part in protective planning.

The debate on the issue of national defence has amply demonstrated that at present the Canadian armed forces lack strength and equipment for any effort Canada may be asked to perform on behalf of the United Nations in the interest of peace. Whether we like it or not, and ruling out the probability of a nuclear war which to sane people everywhere is unthinkable, we are faced with a prolonged chilling cold war, and it is the duty of this parliament to see

that our conventional forces are built up to full strength. We need men and equipment, and the facilities to train our manpower.

There are in our midst some well intentioned men and women who believe that we should not spend money on armaments, and that our tax dollar would be better spent in building schools and hospitals. The uncomfortable facts, however, are that we cannot indulge in the luxury of neutrality. This has been tried before by some European nations, and to their sorrow. Who would believe for one minute that, if the Soviet union were involved in an all out war with the United States, Russia would respect our neutrality?

Those who advocate a neutral position for Canada are simply trying to avoid unpleasant facts in the hope that they will vanish in the wake of wishful thinking. At the same time, it would be a mistake to believe that a strong Canada should have nuclear weapons for its own defence and the defence of the alliance. These weapons should be left in the hands of those now in possession of them.

Notwithstanding the belief expressed by some members—and some people believe it—that the old weapons would be obsolete and no good in a future war, that money spent on conventional arms is money wasted, that only nuclear weapons would be used and that as a result humanity would be wiped off the face of the earth, I should like to remind those people that in world war II poison gas was not used by either side. In spite of the fact that both sides possessed enormous supplies of poison gas capable of exterminating whole armies, gas was not used. Why?

It was not used because both sides knew the terrible consequences of poisoning whole populations. I therefore believe that in the event of a clash over Berlin the knowledge of total annihilation will prevent the touching off of a nuclear war.

Canada's contribution and influence as a member of NATO can best serve by playing a role fitted to her capability such as that of having Canadian troops employed as part of any United Nations emergency force anywhere in the world. I was very much pleased to hear the Associate Minister of National Defence say that the Bobcat program will be implemented. I understand that the Canada Car plant at Fort William will have an opportunity to share in its production. I hope that situation will come about. In any event it is a vehicle which we should have not only for our own use but for that of our allies, and some of the underdeveloped countries which could make use of this particular vehicle. However, with all the sincerity at my command I suggest that we should not fall into the temptation of confining the building-up to a much too small and poorly equipped force. A highly mobile, well equipped and highly trained army and air force capable of meeting commitments to North American defence and to NATO and commitments to security forces of the United Nations should be established. We should be prepared to spend the money for national defence in a manner consistent with the right to call ourselves an independent nation.

Mr. Chambers: Mr. Chairman, I came to the house today prepared or hoping to be prepared to answer the biting and fundamental criticisms of our defence policy that I expected would come from the other side of the house. Unfortunately, having listened to the speeches from the other side of the house, I find myself a little bit at a loss. We have heard from the hon. member for Trinity a discussion of hardware which was very much along the lines of his speech last year. There did not seem to me to be any real discussion of policy.

We have heard from the hon. member for Peterborough the latest policy of his group. I must admit that it is difficult to come to grips with the defence ideas of the little band sitting to your left, Mr. Chairman, because of course they have a great variety of policies. In the last year they have been in and out of NATO like a drunk in a revolving door; and from what was said today, it is a little bit difficult to gather, whether actually as of September 12 they are in favour of Canada's participation in NATO or not. We heard the hon. member for Kootenay West the other day quoting the resolution of his party as adopted at their convention and which seemed to give lip service to participation in NATO but said that Canada alone, one of 15 nations, should change the whole purpose and direction of that organization. This, of course, is one of the penalties of alliances, that no one nation can control completely the direction and the policies of the organization. But I think it is fair to say that Canada has had and will continue to have a very large influence on the policies of NATO. Those influences have been constructive and have worked toward a strengthening of the organization and an increasing of its effectiveness.

The Minister of National Defence this morning outlined Canada's policy. There was criticism from the hon. member for Trinity when he said that the defence policy should be a part of our external affairs policy.

Mr. Hellyer: An instrument of it.

Mr. Chambers: I imagine the minister left that sentence out of his speech simply because he felt it had been said so often and had been made so obvious as to become a cliche. Obviously our defence policy flows from our general national policy toward the world situation and toward other nations in the world.

The minister said—and I should like to repeat it because I think it is most important—that our objectives are two in number. Many people these days who discuss defence start somewhere away on down the line in methods, but you cannot develop any effective policy in any line unless you first consider what you are trying to do. Therefore I should like to emphasize the two parts that sum up our objective—prevention of war and the maintenance of freedom. If you try only to consider the first you will get a policy very different from the one you get if you realize the necessity of maintaining both objectives.

It has also been said that the major instrument of our policy is NATO. It seems to me that one of the things that cannot be emphasized too much, although in the last few days it has been said frequently in this house, is that the great virtue of NATO is that it works. Let me recall to the minds of those who question the efficacy of NATO what the situation was in Europe before that organization was formed.

Hon. members will recall that Czechoslovakia had recently fallen to the communists. It will be recalled that the communist forces in some of the western European countries were so strong as to give great cause for concern. One did not know from day to day what might happen in Italy, and even in France we were uncertain. One can date from the formation of the NATO alliance the halt of the communist advance westward across Europe. One can also date from the formation of this alliance the rehabilitation of the countries of western Europe. This involvement by the United States, Britain and Canada in the affairs of Europe gave to those countries and to the people of those countries the courage, confidence and realization that they were not alone in their troubles that allowed them to rebuild after the ravages of the second world war.

Anyone who stands up in Canada today and says we should abandon NATO, in almost any circumstances, has an obligation to bear in mind the accomplishments of NATO and has an obligation also to recommend some other arrangement which would give us and our friends and allies the degree of security that has been provided by that organization.

There are those who say we should abandon NATO, NORAD and our other defence alliances because then our prestige at the United Nations, our prestige among the neutral countries of the world, would grow. In other words they advocate a defence by moral suasion.

Let those who consider that to be a responsible policy for the Dominion of Canada think of how much effect moral suasion had on Mr. Khrushchev when he ordered the resumption of nuclear testing. How much influence has the moral suasion of the Belgrade group and the pleas of Mr. Nehru, who personally went to Moscow? How much influence has that had on the continuation of these tests which, as we have heard this morning, may have the most disastrous effects if carried on long enough.

It seems to me that when we consider a policy to protect ourselves against the depredations of communism in the world we must rely on something more concrete than moral suasion. In fact we must rely on creating a situation in the world wherein they will not dare to start a war.

We know from the writings of their leaders and from the speeches of Mr. Khrushchev and his predecessors that it is a belief held by the communists that they have a historical right to take over world society. We know also, because this too they have told us, that they believe the end justifies the means, that they are justified in achieving their ends by any means, military, economic, subversive or whatever.

Our first duty in the west, then, is to create a situation wherein they cannot achieve these ends by military means. This is the strategy of the alliances to which we belong particularly that of NATO. Once again let me point out that the great virtue of this strategy is that it works.

I should like now to pass for a moment to the question of air defence. The hon. member for Trinity last year and again this year put forward the view that there is no necessity for a defence against manned bombers because manned bombers are obsolete. The hon. member may be correct, but I wonder whether the gentlemen in the Kremlin have heard about it.

Mr. Hellyer: Would you give the source, please?

Mr. Chambers: I have not the page here. I got it last year and I can get it again from the speech of the hon. member this morning. We also know from the press, from the accounts of the Moscow air show not long ago, that there did not seem to be much evidence in that display of sabre rattling that the Russians had abandoned manned aircraft. In fact, of course there is a change from manned aircraft to missiles, but what so many people, including my hon. friend from Trinity, seem to forget or overlook is that

these changes do not take place overnight. They cannot take place overnight. Because some missiles exist which might be used in any attack upon North America, and very probably would be used in any attack upon North America, this does not mean that should such an attack come—or should such an attack be considered, which is perhaps the better way of putting it—it would be necessary at the present time, to the best of our information, for the Russians to plan on using a considerable number of manned bombers.

Thus if we can create a defensive situation on the North American continent where they can have no confidence that a sufficient number of their bombers would get through to accomplish their mission, they can take no rational decision to attack. No doubt there will come a day when the threat of the manned bomber can be ignored. Figuring out the intentions or possible plans of a potential enemy is not an exact science but to say that because there are missiles we should abandon defence against the manned bomber is tantamount to saying that because there are high explosive artillery shells we should abandon the steel helmet. We have to try on this continent as in our global strategy to create a situation whereby it will be impossible for our potential enemy to take a position to attack. The defence of the deterrent against manned bombers is part of the arrangement to do that.

There has been a great deal said on the question of mobility and particularly the mobility of the 4th Canadian infantry brigade group in Germany. I think it should be emphasized that this brigade is completely mobile. That is to say it has within its own resources the capacity to move itself. I remember that some time ago I was visiting the brigade. I had to leave one morning at about 7.30. Various arrangements were made to get me to an airport. When I got up at about 6.30 I found that three quarters of an hour before a surprise exercise had been sprung on the brigade by higher command and they had been ordered to move. Within three quarters of an hour the brigade which had been sleeping and which had no warning, had completely disappeared from the area. All the men had embarked in their vehicles and had moved off in tactical formation. To me this indicates a very high degree of mobility indeed.

We are told we must have forces ready to serve the United Nations. I believe the hon. member for Fort William said we did not have any such forces. This, of course, is utter nonsense. On each occasion when we have been called upon by the United Nations Canada has produced the forces that were requested. In fact, all of Canada's forces, particularly her army, are in a practically constant state of readiness for the United Nations. Their equipment and vehicles are ideally suited to participation in any emergency that might arise. As I said this has been demonstrated both in the Gaza strip and the Congo. The forces being used so effectively there are not equipped differently from the rest of Canada's armed forces. As hon. members well know we have increased our capacity to transport our forces by air to any part of the world. It should be borne in mind that these United Nations tasks do not usually require heavy weapons. It is almost inconceivable that a situation would arise in which the United Nations would call for a force to make an assault landing or an airborne attack on some area in the world. Therefore I think it can be truly said that with respect to the type of forces that the United Nations are liable to call for, Canada is ideally equipped to supply them when the time comes.

It seems to me that one of the reasons people in this country occasionally advocate such impractical ideas in relation to our defence is that the consequences of a failure are so much greater today than they have been in the past. If one of our twin objectives, as I mentioned earlier, is to prevent war, the failure to achieve this objective would lead to the most terrible consequences, but this being so, it is no answer to the dilemma to say that like the ostrich we should therefore put our heads in the sand and say we will have nothing to do with it.

I believe it was the hon. member for Peterborough who said that a conflict between the United States and the U.S.S.R. would have no effect on us at all. I would say to the hon. gentleman we would certainly be affected and must therefore do all in our power to prevent it. Surely the way to do that is to do what Canada has always done, to live up to her international obligations and maintain the reputation she has built because she has lived up to her international obligations. We must not throw up our hands in despair and say that this problem is too big for us, that we will leave it to the big boys, that we will leave it to the United States or to the United States and the Soviet union and that we will concentrate on foreign aid. Foreign aid is a good and necessary measure and in my view it is part of our defence, in a manner of speaking, in that economic and ideological war that goes on under what might be called the umbrella of the nuclear threat. But the first obligation of the government of Canada in the area of defence is to do everything in its power for the security of the people of Canada. This we have done and this we will continue to do to the best of the ability of this country.

As the minister said, we have recently decided on an increase in our contribution to NATO in the form of additional men for both the air division and the brigade in Germany. These in themselves will be valuable additions to the forces in western Europe; but more than that, it seems to me, they are a restatement of our faith in that organization and our realization of the necessity for it. Once again we have said to our allies: we stand with you in the defence of freedom and here is the earnest of our pledge. It is a cliché, if you wish, but never has it been more true than today that we will stand together or separately we will fall.

Mr. Matheson: Mr. Chairman:

> In my judgement, a Liberal is a man who ought to stand as a restraining force against an extravagant policy. He is a man who ought to keep cool in the presence of Jingo clamour. He is a man who believes that the confidence between nations begets confidence, and that the spirit of peace and good will makes the safety it seeks. And, above all, I think a Liberal is a man who should keep a sour look for scaremongers of every kind and of every size, however distinguished, however ridiculous—and sometimes the most distinguished are the most ridiculous—

These are not my words, sir; these are the words of Winston Churchill. It is not enough that we always speak and think in defence matters in terms of contention. It surely is necessary that we have something in the nature of a goal and a purpose. What is somewhat disturbing to people on this side of the house is the fact that when the Minister of National Defence is in the house the Secretary of State for External Affairs is not, and when the Secretary of State for External Affairs is in the house it appears that the Minister of National Defence is not.

You will forgive us, sir, if in thinking in terms of defence—

Mr. Harkness: Mr. Chairman, I think the hon. member does not want to be incorrect or unfair. I should like to point out to him that I was here practically throughout the entire debate on external affairs.

Mr. Drysdale: Facts never bother the Liberals.

Mr. Pearson: What about the other half of the remark?

Mr. Harkness: The Secretary of State for External Affairs is busy today with Dr. Stikker and this afternoon the president of Iceland is coming in.

Mr. Matheson: I accept the fact that I must have been in error. I did notice on a couple of occasions that when the Secretary of State for External Affairs was speaking the Minister of National Defence was not present. I withdraw the observation of course but I made it for another reason. It appeared very clear to us that the policies expounded so clearly by the Secretary of State for External Affairs did not appear to be in harmony with many points in the policies expounded by the Minister of National Defence. May I say this. We have heard something in the last few days.

[Mr. Chambers.]

Mr. Kindt: May I ask the hon. member a question.

Mr. Matheson: At the end of my speech I will be happy to answer any questions.

The Acting Chairman (Mr. McGee): The hon. member for Leeds has the floor. If he wishes to yield to the hon. member asking the question he may or may not do so. I believe he has indicated he does not wish the hon. gentleman to question him at this point in his speech.

Mr. Matheson: May I say that today we have had words which seem to substantiate the fact that what we have is defence policy by proxy. It appears that the policy is always formulated in NATO headquarters or in some other headquarters. What we are interested in is that there be something in the nature of Canadian policy with respect to national defence.

I think I made myself rather clear in the external affairs debate when I asserted the need for a strengthened military machine armed with conventional weapons and ready to meet challenge wherever it comes in the free world. Freedom is threatened but there are other factors that have to be considered. I should like to quote a few words from an article on foreign affairs by Sir Anthony Eden called "The Slender Margin of Safety". He said:

> Since 1940 the Western European powers have voluntarily agreed to the independence of 18 different countries with a population of more than 600 million people. During the same period the communist countries have brought under their rule 12 previously free countries with a population of more than 120 million.

One of the things we have to consider at this time is the nature of the type of leadership which Canada may very reasonably be expected to provide for those people who have been brought into freedom. This by no means must be by virtue of what is so contemptuously referred in this house on different occasions as neutralism. May I quote from the memoirs of Mr. Truman who said:

> We laboured to construct a weapon of such overpowering force that the enemy could be forced to yield swiftly once we could resort to it.

This remains the thinking of the speakers on the government's side, as has been demonstrated in this debate. I continue with the quotation:

They recommended further that it should be used without specific warning and against a target that would clearly show its devastating strength.

And so on. I continue:

Four cities were finally recommended as targets: Hiroshima, Kokura, Niigata, and Nagasaki.

Then, he heard about the bomb being dropped and he said:

I was greatly moved. I telephoned Byrnes aboard ship to give him the news and then said to the group of sailors around me, "This is the greatest thing in history. It's time for us to get home."

We read the news item which appeared in the Ottawa *Journal* which came out a few minutes ago and which referred to the extent of nuclear fall-out.

I should now like to quote a few words in French from Montesquieu:

(Translation):

If I knew something was helpful to my country and prejudicial to Europe or helpful to Europe and prejudicial to the human race, I would consider it a crime.

(Text):

A man who now enjoys the position of United States ambassador to the United Nations namely Adlai Stevenson said:

There are those who say that disarmament is impossible until political settlements have been reached and confidence restored. I disagree. I believe the nuclear arms race with weapons of mass destruction is a new element and in itself a cause of tension. Fear will not vanish until the arms race is arrested.

I think it is rather important that some matters of great moment, matters of national defence be discussed at this time. May I refer to the information which was gathered together for the special committee on defence expenditures in 1960. It was produced by the then minister of national defence, General Pearkes. This is what he said:

No one nation can afford a unilateral defence. Canada's defence effort must not be viewed in isolation but rather as a contribution to the combined deterrent of the western alliance. Our defence expenditures are not providing complete protection but in combination with others, they are contributing to the over-all effectiveness of an insurance against possible aggression.

With this I think we all agree. However, I think it has got to be more than that. NATO is composed of many different nations of many different backgrounds and of many different possibilities of service. I should now like to refer to an article which appears in the bulletin of the atomic scientists. It is called "The Future of Western Deterrent Power", by Alastair Buchan, and was published in 1960. He speaks about the considerations inherent in being a non-nuclear alliance member, and says:

The first step would involve a negotiation, possibly prolonged and difficult, to determine the considerations which should govern the siting of the land and water-based Polaris or other solid-fueled missiles which will replace the existing bombers. Should they be sited in Germany? Almost certainly not for sound political reasons affecting relationships within the alliance and with Moscow which most intelligent Germans accept. Should Norway be asked to reconsider the refusal to accept nuclear bases since her terrain is ideally suited to their dispersal and hardening? Again probably not for equally sound reasons concerned with the delicacy of the political balance in Scandinavia. Should they be sited in Britain? Yes. In Benelux? Probably. In France? Yes.

This is the opinion of Alastair Buchan whom many of us knew rather well. He recognizes that in NATO there will be different functions and purposes. I remind this committee that only one nation with the background and the potential for the development of the atomic bomb refused as a matter of principle to do so, and that country was Canada. The fact that we live in close proximity to the very powerful and beloved neighbour to the south enables us to speak frankly to this great nation. We are able to furnish military equipment and personnel of absolutely the best type and quality possible, men who are prepared to take their stand in danger spots but without nuclear arms. We recognize that behind the NATO shields there may be nuclear support, but our troops should be men of courage with manifestly no offensive purposes at all. The principle behind them is to defend the peace. This is the most important cause to which we can contribute.

We should like to see in Canada something in the nature of a clear, enunciated, articulated policy. There is some suggestion that we are not in favour of NATO. This suggestion is ridiculous. After all, we remember the occasion when the University of London granted an LL.D. degree to the Right Hon. Louis St. Laurent. The citation referred to him as the chief architect of NATO. We are proud of NATO. Our fear is that NATO may get off the rails. We must have confidence in NATO. Then we will be able to say, "We will march wherever you lead." There are powerful forces in NATO and there are weaker forces in NATO, and we have got to be in the position of being what Toynbee has referred to as a dominant minority in NATO, a creative minority, a minority that is prepared to try to have an effect and influence on the lives of the people of the world at large. I believe this is the only way that this dreadful holocaust can be avoided.

With respect to NORAD, I should like to refer to a book which in some circles is not popular. However, I believe we must read it and read it very carefully because the man who write it is a well informed, knowledgeable and respected member of the press. I am referring to the book, "Peacemaker or Powder-monkey", written by James M. Minifie. He has this to say:

NORAD had been mentioned at cabinet level during the last months of the dying Liberal government of Louis St. Laurent. But it had not reached the stage of cabinet decision. Although Mr. Pearkes appeared to have been under the impression that the preceding cabinet had agreed on NORAD, this was almost certainly not the case. It was the child of the new Conservative government—as unlikely an offspring as could have been wished upon an administration which had made a fetish of Canadian independence and had run a spectacularly effective election campaign, not indeed on anti-Americanism, but on a pro-Canadian nationalism which NORAD made nonsense of . . . a nation which has put part of its forces under foreign command in a two-way deal with a vastly more powerful neighbour has lost its independence. Canada has become a military satellite of the United States sun. The hard-won power to decide on peace or war has passed from Ottawa via Washington . . .

I submit that we do not yet know the extent to which we are in fact a satellite of the United States in this important regard. There have been hints and suggestions that there are at the present time nuclear armed aircraft under United States command which are patrolling Canadian skies. We do not know the facts. We are left in ignorance and I am sure the Canadian people at the present time are quite ignorant of what is happening. I say, sir, with all respect to some people on the other side whom I regard as close friends, that this is typically Conservative in its approach. It represents the attitude which says that we should not decide for ourselves.

If any hon. members would care to do so they can go to the parliamentary library and look at the debates that occurred in the year 1910 on the naval bill. You will remember how cries of treason rang through the chamber when Laurier said that we should have a navy of our own, that we should build it, that we should produce a flotilla and should decide what we were going to build although it would, of course, fit in with the British picture. There were Conservative members in the house in those days who rose and said, "No, definitely not". Their position was that it was improper for Canada to do this, that we should simply ask England what amount of money they wanted and then give it to them and let them spend it. I think that is not the typical view of Canadians generally.

If you want to take another illustration of the same thing, there is the argument relating to military command. Can we in Canada decide to govern our own forces? In the Chanak incident of 1923 Mackenzie King said Canada would not necessarily go to war on that matter over Turkey and in the result he perhaps saved Britain from serious and disastrous consequences. If my friend on my left will contain himself for a minute, I should like to refer to a little book which has been cited all over the world. It is entitled, "Democracy in World Politics". It is very elementary, particularly so in the light of all the gadgetry and hardware that have been the subject of discussion today. The author has this to say:

If violence breaks out, the play of this principle helps to limit the breakdown to the minimum needed to defeat aggression and, above all, to restore the peace. If a nation uses force in aggression against its neighbour, that neighbour and its allies, and indeed the entire free community, acting through and within the principles of the United Nations charter, may justifiably use—in fact have an obligation to use—collective force to repel that aggression. This does not, however, give them a moral licence to attempt, by the use of overwhelming and unlimited force, to destroy completely the aggressor society.

This is developed to some extent in this book. There is a very simple proposition put forward with which all of us who have anything to do with the police courts are familiar. The law discussed is the law of assault and the author says:

The doctrine that only a limited use of force, proportionate to the circumstances and strictly necessary to accomplish specific objectives, can be justified as self-defence is, I think, inherent in the principles of natural law. Certainly it is basic to the domestic law of all civilized peoples.

Then he refers to the judgement of Mr. Justice Martin of the Saskatchewan court of appeal in the case of MacNeill and Hill and quotes these words:

While the law recognizes the right of self-defence, the right to repel force with force, no right is to be abused and the right of self-defence is one which may easily be abused. The force employed must not be out of proportion to the apparent urgency of the occasion.

Then he quotes the Canadian Criminal Code, section 66:

Everyone authorized by law to use force is criminally responsible for any excess according to the nature and quality of the act which constitutes the excess.

Then he goes on to refer to the case of State *v.* Cephus, a well-known American authority, and follows that with our English authority, Halsbury's Laws of England. He then refers to the Encyclopedie Dalloz which expresses the French law to the same effect. Then he comes to the conclusion to which I have referred, that if violence breaks out the principle of limited force limits the breakdown to the minimum needed to defeat aggression.

Mr. Drysdale: You would need a big police force.

Mr. Matheson: I would be glad to answer questions—

Mr. Drysdale: It is not a question; it is an observation.

Mr. Matheson: With respect to the observation about a police force, may I refer to something that may appear strange in a defence debate. Perhaps one person who never

intended to exert great influence on the commonwealth but nevertheless did so more than anyone else in the world was Mahatma Gandhi, and I should like to read a few brief lines respecting him:

Naked little Hindu fakir,
Vexing to the powers that be,—
Praying, spinning, scheming, fasting,
How absurd to such as we.

We never understood his wisdom,
Suddenly the tragic end.
Pistol shots that stirred the nations,
All mankind had lost a friend.

Stripes to him and to his children,
Weary years in British quod.
Dusty miles to briny ocean.
Raised on earth a child of God.

Fractious world beset with sorrows,
Searching for what's brave and true,
Hover closer, gentle Bapu
We need aid from such as you.

I think the situation right now is such that we in the western world need something of the personality of Gandhi. We cannot apply Gandhi's method to the particular situation confronting us. Any person who suggested such a thing would be foolish, but would it really be foolish to think of Canada taking these principles that are bold and brave and acting on them with our conventional weapons as and when the need arises and protected by the shield of NATO and our NATO allies? In a situation such as Berlin today we have a battalion, such as that of the hon. member for St. Lawrence-St. George, the Black Watch with their pipes, or there are the R.C.R.'s whom I saw performing tremendously at Fort Henry a few days ago. Is this the type of thing that might appeal to the imagination of the world? We Canadians have taken on a great many assignments. We have in this house right now people who participated at Ypres and at the Somme and at so many other places. There was the Dieppe raid. Some of these things were foolish ventures. I think it is not at all unreasonable to say that in our Canadian army today we have men of idealism and courage who are prepared to assume the risk inherent in conventional weaponry. But we are not getting frank answers on this score. We are getting the old answer that the soldiers must have the best equipment possible.

I put it to the house that this is no answer and that we have not frightened Russia at all. Maybe Mr. Truman was able to frighten Japan a few years ago but the Russians are in a different position. There is only one thing greater than nuclear force and if I may refer to a speech made at the University of Oslo by the author of the book to which I have referred, Mr. Pearson said in that speech that ideas can also be explosive. I think this is something that we have got to bear in mind.

The person who wrote this book on the principles of defence was not absolutely naive and ignorant about war. He participated in the first great commando effort in the world, the Gallipoli campaign in 1915. It involved something like 120,000 British troops and there were 50,000 dead when it finally failed. The force was made up of British, Australians, New Zealanders, Gurkhas and many others and he brings to this subject the experience he had in those days and the war years that followed. He will recall that in those days, all troops did not do the same thing, just as all troops did not do the same thing for the British eighth army. You could not feed them the same way, you could not arm them the same way. They had different roles. My friend the hon. member for Edmonton West will recall that the Gurkhas would do things at night that his loyal Edmonton regiment troops would not do. They had special skills. In the role that I have suggested our Canadian militia could serve magnificently. We have a good record, a record of not being a dirty army. We have always had this reputation and that is a role we have to preserve.

Now, referring to the particular problem before us, there is an important article written by Pierre M. Gallois entitled, "New Teeth for NATO". In this article he recognizes the four stages in depth in which NATO defence can be developed. Conventional weapons at the front, a second nuclear shield until at last we finally go across the seas with the possibility of intervention by strategic air command. We suggest that we take the courageous role of world peacemaker and be on the spot, be there with the weapons we can carry, such as light artillery and things that are mobile.

In the publication the *Annals* of the American Academy of Political and Social Science, there is an article by Senator Saltonstall entitled, "Western Military Strength and Security." In this article, he says:

> There are two permanent issues concerning the defence posture which have a particularly important relationship to the philosophy of deterrence. These are: (a) the strengthening of weapons and equipment suitable to fight in situations of limited conflict, and (b) the efforts to bring about dependable agreements on weapons tests, arms control, and eventual disarmament.

I quote from the article at another point:

> Secretary McNamara commented there had been a tendency since the end of the Korean war to emphasize the nuclear capabilities of limited war forces. Although such use is essential, the Pentagon is careful to point out, the non-nuclear capability of conventional forces is stressed in the current plan in order to provide greater versatility.

Then, the author says:

We must take care ... lest by building up our own security we perpetuate and encourage a nuclear arms race.

With all that written by Senator Saltonstall, we agree. In an article written in London by Ritchie Calder entitled, "The Non-Nuclear Club", there is a reference to Professor Blackett, who was a distinguished naval officer in the first war. This article is contained in the bulletin of the atomic scientists. Professor Blackett is quoted as follows in this article:

In fact, I can see no plausible way in which the European defence community can survive either with its own jointly owned nuclear forces or with individual national nuclear forces. I feel that the present situation, with an American safety catch on all its nuclear weapons, wherever situated, is much more stable than either of those alternatives. However, to keep it stable, it is essential that Britain renounce her own nuclear forces, otherwise their spread to other countries will never be checked.

Later, this author says:

... his position, and that of many others, including service experts, arises from the fallacies manifest in present NATO strategy.

We have Britain with nuclear arms and we have France with nuclear arms. Do we want to extend these to everybody? May I refer to John Gellner's publication, "Problems of Canadian Defence". His air force record is well known to this committee and he says:

In brief, the belief is widespread that the threat of nuclear weapons does not deter the enemy from waging war, but only from waging nuclear war. This would in itself be an important result, but not under present circumstances when the west is inferior in manpower and armaments required for conventional war.

Obviously this is the line our defence policy should take.

Then, referring to General Charles Foulkes we find in his article "Canadian Defence Policy in a Nuclear Age" that he said:

It should be constant Canadian policy to make our armed forces available for United Nations service and even to declare that they will be used only for purposes consistent with the U.N. charter.

At another point, this article states:

It appears doubtful if there is any real advantage in Canada's becoming a nuclear power and having its own deterrent, or even manufacturing Canadian requirements of tactical nuclear weapons.

Then, the author says:

Therefore, we should refrain from action which would encourage any widening of the nuclear club's membership, even though we should realize that the permission of the United States will be required to use nuclear weapons and also that such an arrangement may prove militarily inconvenient.

Then, he concludes:

I am convinced that in the world today we have gone so far in the production of force and in making it so readily available that I seriously question the use of force as an instrument of policy.

There is another article to which I should like to refer as being really the basis of our Liberal defence position, although I think our view was arrived at independently. This is by Henry A. Kissinger and is entitled, "Limited War: Conventional or Nuclear? A Reappraisal". This author's experience in the United States defence picture is well known, and he says:

Safety resides in mobility ... Accordingly, a great premium will be placed on small, self-contained units of high mobility.

Later in this article, he says:

Nuclear weapons, it is contended, are not a substitute for manpower.

Then, later we find this:

Conventional defence provides the best means of preventing the occupation of threatened countries.

Then, he says:

Few of our allies possess nuclear weapons. Those that do have emphasized the retaliatory and not the tactical aspect of nuclear warfare. Public opinion in most allied countries has mobilized against nuclear weapons by a variety of agents. ... In these circumstances, it will become increasingly difficult to concert a strategic and tactical doctrine that is accepted by the alliance and maintained with conviction in the face of Soviet pressure ... If it relies entirely on a nuclear strategy, its vulnerability to nuclear blackmail both before and during hostilities would be considerable.

... The years ahead must therefore see a substantial strengthening of the conventional forces of the free world. If strong enough to halt Soviet conventional attacks—as in many areas such as Europe they could be—conventional forces would shift the onus and risk of initiating nuclear war to the other side.

That, sir, is in essence what our position is. Gandhi was able to free 400 million people from what he regarded as the imperialistic yoke by taking advantage of the fact that people would not fire with conventional weapons on a group of unarmed people with a single purpose to live a life of freedom and peace. If we have conventional weapons and have the courage to put our gallant people in a place where they can preserve peace, I put it to you that the moral effect of this is going to be so overpowering that many of these uncommitted people who know our background and many of the people behind the iron curtain who wish they were on our side, will take a stand with us. The opening of a book entitled, "The Nation's Safety and Arms Control" by Arthur T. Hadley, which has been recently well reviewed, contains this opening sentence:

Every citizen looking at the nuclear world must have more than a fleeting wish that modern weapons could be limited or abolished.

And as a final word the author concludes:

This book has been an arms control tour of the kilo-megaton age ... hopefully, the need for secure

weapons and non-nuclear answers has been established both as imperative for American security and as a first step toward arms control.

I believe that every person comes to this house dedicated to do his very best for the people of this great country we love. One does not come here without much effort and much sacrifice. There are no traitors in this house. We believe earnestly in the good work of this department and the good work it has done in the past and will continue to do. I must tell the minister that I have watched his army in different parts of Canada. I think he has a magnificent army, small though it may be. This is a vitally important matter, the development and preservation of peace. We have to make sure that nothing mars our role or our effectiveness. I hope that as we consider our responsibilities in NORAD we will watch very carefully the extent to which we get pushed into a role that is no longer a defensive role.

(Translation):

Mr. Allard: Mr. Chairman, while I rise to take part in this debate, I do not pretend to be an expert on international politics or in the field of military or civil defence, but I want to express the concern that Canadians have felt in their hearts and minds because of recent developments, and more particularly because of the Russians' decision to resume nuclear tests.

I was astounded by the fact that for more than a year—and we have the evidence today—while negotiations were going on in Geneva about a final nuclear test ban, when western and other free countries represented at those conferences were discussing with sincerity and honesty, Russia was not of the same mind because, according to experts, it takes months to prepare an atomic blast.

Only a few days ago, Mr. Khrushchev made a threat which he accompanied by an imperative gesture as usual, and since then, the Russians have exploded six atomic bombs. Thus, while discussions were still going on in Geneva, while sincere and free countries were working together to put a stop to those nuclear tests, the Russians were secretly and dishonestly intending to resume them, and they have just proved it by exploding six atomic bombs.

Mr. Chairman, the Canadian people are greatly concerned, of course, and we are presently going through dark days, not only because of the material consequences of those explosions, but also of the distrust that is spreading among nations.

That spirit of distrust, a venerable old man has painted it out very well in his recent encyclical letter *Mater et Magistra*. I should like to quote a short passage of John XXIII's encyclical:

It can thus be understood how individuals and nations are getting more and more convinced of the urgent necessity of understanding and co-operation. However, it seems that men, especially those who shoulder the heaviest responsibilities, are incapable of causing the one and the other. The reason for that incapacity lies not in science, technology or economics, but in the lack of mutual trust.

A little further, John XXIII states:

The lack of mutual trust is due to the fact that the activities of men, especially those who bear the heaviest responsibilities, are inspired by different or radically opposed concepts of life. Unfortunately, some of these concepts do not take into account the existence of a moral order, of an order which is transcendent, universal, not absolute and of equal value for all. It becomes therefore impossible to meet and to fully agree, with all security, in the light of a same law of justice accepted and followed by all. It is true that the word "justice" and the phrase "the requirements of justice" continue to be used by everyone; but that word and that phrase have for each one a different or contrary meaning.

Indeed, there are between the Soviet bloc and the alliance of western free countries two basic differences in their concept of life. While we in the free nations, the Christian nations, the western nations, are trying to establish peace for the triumph of spiritual values and the installation of the rule of God over His creatures, our opponents are looking for peace—at least they say so—but only through a search for material and materialistic aims, without any belief in the spiritual values, without any belief in the dignity of the human being.

That is the real trouble in our hearts, and it is in such a climate of distrust, which becomes increasingly troubling, that we have all these important discussions in international organizations.

It must be said to the credit of Canada and of the present administration that they wish to pursue and promote negotiations in order to lessen that distrust. Furthermore, this government is to be credited—and this needs to be said—in the face of communist ideas spreading across the world, for embodying in its legislation that fundamental assurance and very concrete expression of human rights and freedoms. We cannot repeat it too often: those rights and freedoms are, initially and in final analysis, of God's creation.

That is the fine example the government has given the whole world by its bill of rights. In the pursuit of its activities, it recognizes man's dignity, the Canadian citizen's dignity, that of any citizen of the world, and it is yearning for peace in order to ensure the triumph of spiritual values and the recognition of God's rule over His creatures.

(Text):

The Deputy Chairman: Order. It being five o'clock I do now leave the chair in order to permit the house to proceed to the consideration of private and public bills, pursuant to section 3 of standing order 15.

PRIVATE BILLS

Mr. Speaker: It being five o'clock, the house will now proceed to the consideration of private and public bills, the former having precedence, pursuant to section 3 of standing order 15.

THE CUMBERLAND RAILWAY AND COAL COMPANY AND THE SYDNEY AND LOUISBURG RAILWAY COMPANY

The house in committee on Bill No. S-19, an act respecting the Cumberland Railway and Coal Company and the Sydney and Louisburg Railway Company—Mr. MacInnis—Mr. Chown in the chair.

Clauses 1 to 4 inclusive agreed to.

On clause 5—*Application of provincial statutes.*

Mr. McGee: Before the bill is passed I wonder whether I could ask the hon. member who is sponsoring it whether the matters that were raised in the committee on railways, canals and telegraph lines and about which there was some minor doubt in the minds of some of the members have been clarified, and whether we may have an assurance that no other impediment relating to these discussions has arisen in the interval?

Mr. MacInnis: In answer to the hon. member's question all I can say is this. A number of questions arose before the standing committee on this bill. At that time I thought that every question raised at the time was answered to the complete satisfaction of myself and of other hon. members who may have a particular interest in this particular amalgamation in so far as it concerns our part of the country.

It will be recalled that Mr. McGregor was present at the meeting acting in the interests of all the union men involved, and he himself was quite satisfied with the proceedings.

Clause agreed to.

Preamble agreed to.

Title agreed to.

Bill reported, read the third time and passed.

JEAN GEORGE LIPSMAN

On the order:

Second reading of Bill SD-1, an act for the relief of Jean George Lipsman—Mr. McCleave.

[Mr. Allard.]

Mr. Nicholas Mandziuk (Marquette): Mr. Speaker, may I ask leave of the house to stand all the divorce bills on order paper 161.

Mr. Frank Howard (Skeena): Mr. Speaker, I wonder whether in this instance we might not follow the practice proposed to the house and agreed to on March 14 by the hon. member for Halifax (Mr. McCleave) relating to the consolidation of these bills under one order. I have just counted the pages and there are some 27½ pages of divorce bills. I think we could perhaps agree to consolidate them all under one order and then upon, say, 48 hours notice list them separately when it was desired to proceed with them on a particular Tuesday. This would save a great deal of printing, paper and so on and would not in any way be an impediment to proceeding with the bills whenever it is desired to proceed with them.

Mr. Frank McGee (York-Scarborough): Mr. Speaker, on the same point of order, I seem to recall being in the house on the date mentioned by the hon. member for Skeena (Mr. Howard) and there was in fact an order of this house that the bills be so consolidated. I should like to ascertain from any hon. member just what happened to that order of the house, and why was it changed to produce the result we sought to avoid in the first place?

Mr. Speaker: If I correctly understood the previous order of the house, it was that the divorce bills be consolidated in one order and not be printed until notice was given that they would be proceeded with. That notice was given by the hon. member for Halifax (Mr. McCleave) some time recently—I think, just before the adjournment—and resulted in the listing on the order paper of all the bills which now stand for consideration.

It is agreed, then, that the previous order be reinstated with respect to these divorce bills so there will be no need to print them until notice is given by the chairman or deputy chairman of the committee requesting that they be listed again?

Mr. McGee: To clarify that point, Mr. Speaker, may I inquire whether any time limit was set. Was it one day before, two days before, or what were the conditions surrounding the change?

Mr. Speaker: I think sufficient advance notice was to be given to make it physically possible for the printing to be accomplished when that was contemplated. Is it agreed that the previous order of the house to this effect be reinstated?

Some hon. Members: Agreed.

INDUSTRIAL DEVELOPMENT BANK ACT

AMENDMENT TO PERMIT LOANS TO CATERERS TO TOURISTS AND RETAIL MERCHANTS

On the order:

Second reading of Bill No. C-46, to amend the Industrial Development Bank Act—Mr. Benidickson.

Hon. Lionel Chevrier (Laurier): Mr. Speaker, may this bill in the name of the hon. member for Kenora-Rainy River (Mr. Benidickson) stand, please.

Mr. John Pallett (Parliamentary Secretary to the Prime Minister): Mr. Speaker, I think arrangements were made by the hon. member moving the bill and the parliamentary secretary to the Minister of Finance (Mr. Bell, Carleton) that it be dropped because government legislation already passed has embodied this or even gone further than the bill contemplates.

Mr. Chevrier: I was not aware of that.

Mr. Speaker: Then order No. 1 is passed.

Mr. Pallett: Dropped.

Mr. Speaker: That is the effect of the legislation already passed.

Bill dropped to bottom of list.

CANADA FAIR EMPLOYMENT PRACTICES ACT

AMENDMENT TO EXTEND APPLICATION TO CIVIL SERVICE

The house resumed, from Friday, December 2, 1960, consideration of the motion of Mr. Howard for the second reading of Bill No. C-9, to amend the Canada Fair Employment Practices Act (Crown Bound).

Mr. Speaker: Is the house ready for the question?

Mr. A. D. Hales (Wellington South): Mr. Speaker, in rising to take part in this debate I should like to say at the outset that I intend to be very brief as I am sure there are many hon. members who would like to take part in the debate on this very interesting subject.

I think this is the third occasion upon which this bill has been introduced by the hon. member for Skeena (Mr. Howard). I am happy to say that I feel he has been sincere on each occasion in introducing the bill. However, I must admit that he has failed to convince me of the necessity for this bill at this particular time.

The hon. member proposes to ask for an amendment to section 3 of the Canada Fair Employment Practices Act whereby the act binds Her Majesty in right of Canada and servants and agents of Her Majesty.

I think it would be wise for us very briefly to review what the Canada Fair Employment Practices Act provides. In short, it provides that no employer shall discriminate in so far as the employment of employees or the terms or conditions of employment are concerned because of race, national origin, colour or religion. It also applies, of course, to hiring agencies and to trade unions, whereby it states that trade unions shall not discriminate against its members or prevent potential members from becoming members of the union.

This bill is a very short one. It merely seeks to make the Canada Fair Employment Practices Act apply to the crown and crown agencies. However, I would remind the hon. gentleman that crown corporations are already taken care of and must apply this act in all their dealings with employees. At the present time crown corporations come within the ambit of the act.

Section 3 of the act reads as follows:

This act applies to and in respect of employment upon or in connection with any work, undertaking or business that is within the legislative authority of the parliament of Canada, including, but not so as to restrict the generality of the foregoing, (m) the employment by any corporation established to perform any function or duty on behalf of the government of Canada of employees.

This bill would make the act apply to employees of of Her Majesty in the right of Canada. We may thus eliminate crown corporations because they have to abide by the act as it now stands. I firmly believe that the federal government is living up to the Canada Fair Employment Practices Act all along the line. I know it is the duty of the unemployment insurance commission not to practice discrimination on any grounds of race, national origin, colour or religion. I also realize that the Department of Public Works has inserted in its contracts a clause that takes care of this matter. A similar clause is inserted in all supply contracts that are entered into by the government. I am therefore convinced that the Canadian government is fulfilling its duty in applying in all its departments the principles of the Canada Fair Employment Practices Act. The province of Ontario has a similar act and I feel that other provinces are doing an excellent job in promoting fair employment practices.

I am proud to say that I come from a municipality where no discrimination is exercised in the hiring of employees. I therefore feel that the bill as introduced by the hon. member for Skeena is unnecessary at the present time.

If the hon. gentleman will pause to reflect he will realize that a special committee was set up to study the Civil Service Act. During the meetings of that committee this very question was considered by the hon. member for Carleton (Mr. Bell). As reported at page 521 of the minutes and proceedings of the committee dated June 20, 1961, the hon. member for Carleton had this to say:

> Mr. Bell (Carleton): May I ask the leave of the committee to revert to clause 33. The members of the committee will remember at the meeting of Friday, April 21, that there was presented to us a letter from the Canadian Jewish Congress in which they asked that there be inserted in the Civil Service Act a non-discrimination clause. That matter has had some consideration especially as to where, if such a clause were to be placed in the act, it should be placed. The advice of the draftsman is that if such a clause is to be inserted that it be inserted in clause 33.

The committee accepted an amendment in these words:

> The commission may in relation to any position or any class or grade prescribe qualifications as to age, residence or any other matters that in the opinion of the commission are necessary or desirable having regard to the nature of the duties to be performed, but in so doing the commission shall not discriminate against any person by reason of race, national origin, colour or religion.

This amendment has been inserted in clause 33. The committee has reported to the house. If this is passed by parliament the very thing the hon. member for Skeena seeks to accomplish in introducing Bill No. C-9 will be attained. Since the introduction of his bill the bill of rights has been passed by parliament. The bill of rights will also accomplish what the hon. member for Skeena wishes to see brought about by the amendment as outlined in Bill No. C-9.

I believe I have covered most of the main points on the bill before us. I agreed with the general principle of the bill in that it calls upon the government of Canada to introduce provisions relating to the abolition of discrimination which I am sure we all wish to see eliminated in our land. I believe that the government should be bound by all the laws it applies to its citizens. I feel that the purpose of Bill No. C-9 will be well taken care of when the amendment to clause 33 of Bill No. C-71 relating to the Civil Service Act is adopted and passed by parliament.

I am unable to support this bill at this time for the following reasons. First, the hon. member who introduced the bill failed to give sufficient cases in which the government is not living up to the provisions of the Canada Fair Employment Practices Act. Second, I feel that the federal government is now providing equality of opportunity without discrimination on the basis of race, national origin, colour or religion. Third, I feel that the provisions of Bill No. C-9 will be well taken care of when the amended Civil Service Act is passed. Fourth, I feel that what the hon. member seeks to accomplish by this bill has already been accomplished by the introduction of the bill of rights.

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, may I say I am in complete agreement with many of the remarks made by the previous speaker. I think that all Canadians, whether we are referring to private employment practices or employment practices in relation to the government or crown, have no patience with and absolutely abhor anything which smacks of discrimination. I appreciate that we can speak only of our own particular areas. Whether with respect to government employment matters or employment practices in private enterprise, I am proud to be able to say that I have never seen anything in the nature of discrimination in the area I represent. I know of no incident of this kind in the past either in relation to government or private enterprise hiring.

I do not say this in a holier than thou attitude and I do not say this in comparing ourselves with other nations, but I feel that Canadians in general—although there are some notable exceptions—can be very proud of their history. I repeat that with some notable exceptions Canadians are able to look with great pride at their past in this regard. Canadians in general do not tolerate discrimination on the basis of race, national origin, colour or religion. We see this in the field of education and in many other areas.

The Canada Fair Employment Practices Act came into effect on July 1, 1953. As has been pointed out, in general outline the act states that no employer can discriminate with respect to colour, race, national origin or religion. The general terms of the act also prevent an employer from using a hiring agency to obtain the same end. The general provisions of the act relating to trade unions state that no trade union may bar an individual from membership on grounds of discrimination. The act does not allow a trade union to expel a member or employee on grounds of discrimination.

It has been said that the bill before the house asks that its provisions be made applicable to the crown. I can only say I agree with the previous speaker. The sponsor of the bill before us this afternoon seeks to attain an end. Nobody within or without this house can quarrel with that end. In all sincerity, I say that what we are discussing is the means

to attain that end. We are all against discrimination. All Canadians are against it no matter how or where it exists.

I was interested to read that in speaking for his party the sponsor of this legislation said that so often the sanction for many laws was a state of mind. Perhaps he meant that so many of our laws come into being by custom and by tradition. I find it a little strange that a member representing the socialist party and speaking about socialist doctrine should advance such a theory. I have always thought that the socialists feel you can legislate for a state of mind.

Mr. Howard: This shows how mistaken you are.

Mr. Grafftey: I make this reference only in passing. I underline the fact that I feel the end result of this legislation can be best attained by a revision of the Civil Service Act itself.

Again I say that nobody wants discrimination. It has been pointed out time and time again that in relation to civil service hiring practices there has never been a case of discrimination. If anybody inside or outside this house has any doubt in his mind in this regard he should bring it immediately to the attention of the government. I repeat that there has never been discrimination in relation to race, colour, religion or national origin with respect to government hiring of personnel. Therefore I ask this very simple question. Why in essence is the bill so described before the house this afternoon? I do not doubt its sincerity. Yet, when one realizes that there has never been any discrimination one wonders why this particular bill is before us. We agree that it is seeking a very desirable end.

It is admitted that in 1942 there was a question about colour in a civil service questionnaire. I am not quite sure of the kind of questionnaire it was. I am not going to admit, state or even imply for a minute that discrimination was involved but since that date the question has been dropped.

The civil service commission today, as in the past, is following a policy of non-discrimination. This goes without saying. If there is more than a modicum of doubt in anybody's mind perhaps it is only right that we should be discussing this most important matter in the Canadian House of Commons. I repeat what I said. If there has ever been a case of discrimination in relation to government, then it is the duty of the citizen or the member who has knowledge of it to bring it to the attention of the government. To our knowledge discrimination has never been knowingly practised. There has never been such a case.

If Bill No. C-9 is to be passed it occurs to me that the penalty section of the Industrial Relations and Disputes Investigation Act would likewise need amendment. If we should pass this act today we would inevitably see that many anomalies would arise.

I have pointed out the fact that a revision of the Civil Service Act itself would be the best way to attain the ends desired. Apropos of the questions that have been asked in the past by the hon. member for Skeena (Mr. Howard) and the hon. member for Essex West (Mr. Spencer), we must come to the point and ask ourselves what could be the effect of the proposed bill? It could give the Minister of Labour (Mr. Starr) authority to deal with complaints concerning discrimination in employment which in all other respects is subject to the civil service commission and to the Civil Service Act. We know the jurisdiction of the industrial inquiries commission appointed by the Minister of Labour. I therefore come back to the point I brought to the attention of the house previously, namely the fact that the civil service commission reports directly to the house and not through the minister. For this reason, if we proceed as proposed by the hon. member for Skeena, we could quite conceivably be setting up a great conflict in jurisdiction. I reiterate that which I have repeated time and time again. The desired results could be and should be brought about by an amendment to the Civil Service Act.

Another thing I should like to draw to the attention of the house relates to some of the general provisions in the bill of rights. The right of the individual to liberty comes in clause 1 of this bill. The right of the individual to liberty comes in part I of the bill of rights. I think it is obvious to all hon. members that the principle of fair employment must apply equally to all Canadians. I realize only too well that I am arguing in a very indirect fashion at this time, but liberty must have economic aspects. Many members on both sides of the house have brought up this question time and time again. The liberty to be employed fairly should apply equally to all Canadians. I think I am not letting my imagination run away with me when I say that these provisions of the bill of rights have a direct bearing on the question we are discussing this afternoon.

I should repeat that which I said at the beginning of my remarks this afternoon. It almost seems unnecessary to put written legislation in such detail on the statute books because the principles of non-discrimination

are written so largely within the hearts of the Canadian people. Because such provisions are provided in the bills of rights and because the civil service commission actually is following a policy of non-discrimination and because these ends can better be achieved by amendments to the Civil Service Act I do not think we should accept this bill.

The hon. member for Skeena said he had made numerous phone calls to members of the civil service commission or to members of the civil service in this regard and they had told him that perhaps this was not the case. My opinion is, after speaking to members of the administration, that is the official point of view, and that these ends would better be achieved by amendments to the Civil Service Act.

I might be considered to be straying from the subject but I know that if some hon. members opposite run true to form I will be classed among those who are said to be talking out the bill. Such is not the case. In the hour between five and six o'clock very often bills are not passed but I believe that the private members' hour is a most valuable one because much information is put before the government and many views are aired which eventually bring about good legislation.

I have discussed my point of view in relation to a most important subject. Just because I am not in favour of the immediate passage of the bill as it now stands, I hope no one will feel that I tolerate discrimination in any shape or form. I simply do not believe that as the bill now stands it will help to correct the situation, one which I believe the government can perhaps correct in a better way through the amendments I have discussed. In my opinion the bill seeks to correct a situation which exists only in the imaginations of certain members and other people. If you see discrimination in any particular instance, point it out. I believe that you will not find it in the past or present and I sincerely hope, as a Canadian, that you will never find it in the future.

Mr. Lawrence E. Kindt (Macleod): Mr. Speaker, it is a privilege to speak on Bill No. C-9 and also to express sentiments which I hold on the subject of non-discrimination. It is my view, as has already been said by the speakers who have preceded me, that there is no feeling on the part of anyone that there should be discrimination.

Having said that, it is my view that Bill C-9 serves no useful purpose. It is unnecessary. The matter has already been taken care of. There is no case or example of discrimination in the civil service before us and therefore I find it impossible to support the bill. I might add that a similar bill has been before the house for debate on three different occasions and each time advanced by the same sponsor. I have checked the records and I find that no other member of the C.C.F. or new party group other than the sponsor has spoken on the bill. I am wondering whether he has any support from that corner of the house for this measure.

I have already indicated that existing legislation covers the situation. If that is true, and I shall attempt to show that it is, I wonder why the hon. member for Skeena (Mr. Howard) has insisted on bringing this bill forward on so many occasions. I should like to ask him what his motives were in bringing the bill forward.

Mr. Howard: Motives of decency.

Mr. Kindt: I wonder whether there are not deeper motives behind the bill, whether it is not perhaps designed to win votes in his riding or to gain some particular end that he is seeking to achieve. He has not disclosed these things and we can only surmise. However, I will take the bill just as it is and speak on this subject because in my opinion it is important. I am in agreement with the principle of non-discrimination and, as the hon. member for Brome-Missisquoi (Mr. Grafftey) said, good should come out of this debate. Each speaker will have an opportunity to express himself and from that some good is bound to come.

I should like to quote from the speech made by the hon. member for Skeena on February 19, 1960 when he introduced a similar bill. As found on page 1271 of *Hansard*, he said:

> The bill which is before the house is very short. It merely seeks to make the present Canada Fair Employment Practices Act applicable to Her Majesty, her servants and agents of Her Majesty, or, in effect, applicable to the civil service and to employees in the government service. This, of course, does not suggest that with regard to the employment of civil servants there exists at the present time any such discrimination because of the factors that I set out earlier. In fact, I think I can say without any contradiction or any qualification that no such discrimination enters into the employment of candidates for the civil service.

Note these words from the mouth of the sponsor of the bill:

> In fact, I think I can say without any contradiction or any qualification that no such discrimination enters into the employment of candidates for the civil service.

He says there is none and yet he wants this particular measure applied to the civil service. For what reason? The present Civil Service Act is designed to take care of the problem if it should arise. The hon. member did not refer to any particular case. If the hon. member could point to some incident where an individual had been discriminated against by the civil service authorities or by some department of the government then we would have a case before us and something

to debate and get our teeth into. But here we are talking in the abstract. We are being asked to pass a piece of legislation and make it applicable to the civil service when it has no particular applicability. We are not correcting anything. There is no case before us to show there has been any discrimination within the civil service. I should like to refer to the Civil Service Act, chapter 48 of the Revised Statutes of Canada. Section 19 reads as follows:

> Except where otherwise expressly provided, all appointments to the civil service shall be upon competitive examination under and pursuant to this act, and shall be during pleasure; but no appointment, whether permanent or temporary, shall be made to a local position within a province, and no employee shall be transferred from a position in a province to a local position in the same or in another province, whether permanent or temporary, until and unless the candidate or employee has qualified by examination ...

In section 25 we find the following:

> 1. Competitive examinations shall be held by the commission to establish lists of persons eligible for appointment.
> 2. Such examinations may be written or oral or in the form of a demonstration of skill or any combination of these, and they shall be of a character fairly to test and determine the relative fitness and ability of candidates actually to perform the duties of the class to which they seek to be appointed, and any investigation of training and experience and any test of technical knowledge, manual skill, or physical fitness that, in the judgment of the commission, serves to this end may be employed.

In other words, the situation seems to be working very well under the Civil Service Act as it now stands. These examinations are open to everyone. There is a clause in the act which entitles war veterans to a preference, and I am sure everyone agrees with that. The Civil Service Act cannot be construed as containing any discrimination. The very essence of non-discrimination can be read between the lines in all parts of this act. Having worked as a civil servant for the federal government for a short time myself, I realize that what every civil servant wants is security. He wants to have good working conditions and he likes to be doing a job that he feels is important. I submit, Mr. Speaker, that if this bill were enacted it would do nothing to assist the present civil servant in the discharge of his duties or improve his life as a civil servant. In other words, the passage of this bill will not benefit present civil servants.

The purpose of the bill, therefore, must be to provide for non-discrimination in the hiring of new civil servants. On a previous occasion the sponsor of this bill made a statement that it is not possible to legislate against the state of mind. I thoroughly agree with him on that point. It is impossible to legislate to cover the way in which a person will act when he is acting as a result of a state of mind. In other words, his intolerance or discrimination may be the result of acting by intuition. Certainly the bill which is before us would not help in preventing that individual from acting according to his state of mind. If this bill were enacted it would not prevent intolerance or discrimination. I think a better approach to the situation would be from the point of view of education. In this way people can be shown that we are all created equal and that, given the opportunity, each one performs different skills equally well.

In drawing my remarks to a close, I want to say again that in so far as this bill is concerned the matter is already covered by the Canada Fair Employment Practices Act. This act takes care of the problem in so far as industry is concerned. The Civil Service Act takes care of the problem in so far as civil servants are concerned. If a revision of the Civil Service Act is to be undertaken, perhaps this matter could be referred to the committee dealing with the matter and, in this way, the question of discrimination could be given proper and thorough consideration.

I have already made the point that it is not possible to legislate in connection with a state of mind. Another point is that no evidence has been brought forward to indicate there has been discrimination in any particular segment of the civil service. In my view, this fact relieves the house of any necessity for taking immediate action. I conclude my remarks, Mr. Speaker, by saying that I must, because of the unnecessary aspect of this bill, cast my vote against it at this time.

Mr. Joseph Slogan (Springfield): Mr. Speaker, it is a great pleasure for me to participate in the debate on this Bill No. C-19. At the outset, I may say I am in favour of the provisions of the Canada Fair Employment Practices Act. However, my position on the bill before us this afternoon is along the lines of the positions of previous speakers we have heard today. I may say I am rather disappointed that the sponsor of this bill did not see fit to make a statement at the commencement of this debate to bring us up to date on his views on the bill. I am disappointed also that no other member of the C.C.F. has taken part in the debate thus far, especially since they are now members of the New Democratic party and their views may have changed somewhat from those previously held. It is disappointing also to see that the Liberal party has not participated in this debate. I suppose the members of that party feel the bill is rather superfluous because the interest they

are showing is very small. I believe there are only three members of that group sitting in the house at the moment.

However, since the sponsor of the bill has not made a statement, I think the words he used in introducing the bill, as they are found at page 1270 of *Hansard* for February 19, 1960, might be usefully repeated. He said:

> The Canada Fair Employment Practices Act came into effect on July 1, 1953 and, in short, it provides that no employer shall discriminate in so far as the employment of employees or the terms or conditions of employment are concerned because of race, national origin, colour or religion. The act also prevents an employer from using the facilities of a hiring agency which discriminates on grounds of race, national origin, colour or religion, and it provides, further, that a trade union shall not discriminate against its members or prevent potential members from becoming members of that union, and that it shall not expel them from the union on grounds of race, national origin, colour or religion. The act also prevents a trade union expelling a member because he lodges a complaint under this particular measure. Procedures are described, and penalties are provided for infringement.

As I stated at the beginning, I am wholeheartedly in favour of this act as I am sure are most of the members of this house. The hon. member who preceded me mentioned that the sponsor of this bill had indicated that he had no knowledge of any discrimination within the civil service to which this bill is primarily directed and he gave a quotation. I should also like to give a quotation, but a different one. It is from page 477 of the debates of the House of Commons of the session of 1960-61, volume 1, and is as follows:

> I am quite sure, and there is no shadow of a doubt in my mind—and I am sure there is no shadow of a doubt in the mind of anyone in this house—that the intent of the Canada Fair Employment Practices Act is followed by the civil service commission in its function of employing people. I am also quite sure that no discrimination exists on these bases whatsoever.

Therefore I believe the sponsor himself has admitted that the bill is rather superfluous. As the hon. member who preceded me has stated, if there were in the civil service any examples of discrimination, he certainly could have a basis for arguing for and supporting this bill.

As I stated, the chief purpose of this bill is to extend the Canada Fair Employment Practices Act to bind Her Majesty in right of Canada and the servants and agents of Her Majesty in right of Canada. At the present time I believe that crown corporations are also covered under this act. Section 3 (m) reads as follows:

> 3. This act applies to and in respect of employment upon or in connection with any work, undertaking or business that is within the legislative authority of the parliament of Canada, including, but not so as to restrict the generality of the foregoing, . . .
>
> [Mr. Slogan.]
>
> (m) the employment by any corporation established to perform any function or duty on behalf of the government of Canada of employees.

Therefore this bill seems to restrict itself primarily to the civil service and I should like to make some remarks in this connection. As has already been stated by most of the members, I believe the civil service commission has always followed the policy of no discrimination. I do not believe they have ever transgressed the principles that are laid down in the Canada Fair Employment Practices Act in so far as race, colour or religion are concerned. Any difference in treatment of applications can be attributed to national origin which has been imposed by requirements of the provisions of the Civil Service Act.

As has already been stated by a number of those who have spoken, the civil service commission have seen fit to modify their application forms where it has been found that any of the questions contained therein do not comply with the provisions of the Canada Fair Employment Practices Act. I believe they are always vigilant in this regard and that wherever possible they remove any question which may carry any hint of any discrimination in hiring for the civil service of Canada.

There is one thing that I should like to bring out. If this act were to come into effect the situation would be this. In essence, under the provisions for the review of infringements I believe there is set up an industrial disputes commission or industrial inquiry commission and that the recommendations of this commission may be made final and binding through orders issued by the Minister of Labour (Mr. Starr). In other words, at the present time any infringement of the Civil Service Act would be dealt with by the civil service commission which reports directly to parliament and not to any minister. Thus any disputes which may arise are removed from any political influence. If this act were to come into effect it would in essence place the binding decision with respect to any dispute in the hands of the minister. Knowing the Minister of Labour whom I consider to be a good friend and for whom I have a high regard, I might say that in some instances the decision he might reach might be even more just than one that could be reached by the civil service commission. None the less, to me it is strange that the sponsor of this bill would wish that this happen. I am sure that he would be one of the last ones to deny that the civil service commission should be completely free from any act of political interference or jurisdiction.

As I have stated, there is a modification of terms in the application forms of the civil

service commission; and I believe that the act which is being revised at the present time will perhaps go even further in changing some of the requirements for admission to the civil service. I am thinking particularly of that specification which limits applicants to British subjects with five years residence in Canada. It is my own hope—and I hope my feeling is shared by members of the government—that perhaps this requirement can be changed in order to give Canadians any preference that may be given under the act.

An hon. Member: Six o'clock.

Mr. Slogan: Mr. Speaker, may I call it six o'clock?

Mr. Speaker: It being six o'clock the house will revert to the business which was interrupted at five o'clock.

SUPPLY

The house in committee of supply, Mr. McGee in the chair.

DEPARTMENT OF NATIONAL DEFENCE

232. Departmental administration, $3,455,378.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at 7.30 p.m.

(Translation):

Mr. Allard: Mr. Chairman, when we adjourned the debate at five o'clock, I was just about to state that Canada is quite right in promoting negotiations to the extreme limit in view of the international issues to be settled.

But those negotiations should be effected, as was stated by several members who preceded me, firmly, wisely and with unity between members of the alliance. And that unity which the allies must strengthen further will only be achieved by greater mutual confidence. Now, that confidence will not be generated in isolation, but in co-operation and by a co-ordination of all efforts.

That is why I submit that the stand of this government in respect of such organizations as NATO and NORAD is the wisest stand possible. For instance, I think that in view of this collective defence, the 14 NATO nations will have to draw more closely together to establish among themselves that mutual trust which will enable them to form a solid bloc so that negotiation can be as efficient as possible with regard to the objectives to be achieved.

Since the Soviet government resumed its nuclear tests and since our southern neighbours decided to counter with similar tests, though theirs are underground and laboratory tests, the Canadian people shiver with apprehension and wonder what this country has in terms of civil defence.

Before coming back here for the second part of the session I found that several citizens from that fine riding of Sherbrooke, which is perhaps not familar to you, Mr. Chairman, but which, like many other ridings in this country, is composed of peaceful Canadians who want only to prosper in the sun in all dignity and freedom, were worrying about what they should do for their protection in the event of a nuclear attack and with regard to the damaging effects of strontium 90, of which a fall-out has again been noted following the resumption of the tests.

According to the information secured, we know that an order in council was enacted in May 1959 which resulted in a general revision of the duties and the powers relating to civil protection.

That order in council provided that it would be up to the Department of National Defence to set up a warning system for the public, to determine the site of nuclear explosions, to make an estimation of the damages and of the number of victims, to control, supervise and carry out the return operations into the stricken areas, and to give emergency support to municipal and provincial authorities for the maintenance of law and order. The Department of National Health and Welfare was given the responsibility of helping municipalities and provinces set up plans providing for medical and public health emergency services as well as plans for emergency housing, emergency food supplies and welfare.

Through the Royal Canadian Mounted Police, the Minister of Justice (Mr. Fulton) has been entrusted with the maintenance of law and order, as well as the control and the direction of traffic in case of emergency. Finally, through the emergency measures organization, the Prime Minister (Mr. Diefenbaker) has assumed the responsibility for co-ordinating the planning of civil protection at the federal level, for helping provincial and municipal authorities in the preparation of security plans and for keeping in touch with provincial governments and other countries in the matter of civil protection.

In addition to the foregoing, other government departments have emergency duties to perform in fields that normally come under their jurisdiction.

For instance, in a state of emergency, the Department of Agriculture, would advise farmers on what they should do to protect their cattle and their crops against radio-active fall-about. The department of Labour and the unemployment insurance commission would look after emergency control of labour and the Department of Defence Production would set up a skeleton organization which would attend to essential supplies.

On the provincial level, organizations have been established which correspond in general to the federal E.M.O. Those provincial units are concerned with planning for the uninterrupted operation of government at the provincial level; they also help in the implementation of plans to ensure the survival of local communities.

Even though emergency planning involves numerous problems, major progress has been made these last few years, and especially during the past months, as far as the implementation of the plans to guarantee the maintenance of government and the survival of the people in case of emergency.

Already the federal government has started the building of regional headquarters where, in the event of a nuclear war, parts of the federal and provincial governments could operate.

As far as communications are concerned, an organization called the national emergency telecommunication organization has been set up in order to insure the security of communication systems, to provide for replacement routes in danger zones and to stockpile mobile and stationary equipment.

The Department of Defence Production has made considerable progress in the establishment of its war supply agency and it has opened a number of regional offices throughout the country to help in that matter.

In the field of transportation planning, the establishment of skeleton organizations in the provinces is recommended; their task would be to control the use of commercial highway transportation in time of war.

The Department of National Health and Welfare is actively working towards its objective, which is to stockpile medical supplies in premises scattered throughout the country. About $10 million were provided to that end and a number of improvised 200-bed hospitals are to be placed at the disposal of the provinces for emergency cases.

The Department of National Defence has made great progress in the setting up of a warning system for the public with the installation of sirens in key locations and the establishment all across the country of warning centres with a full-time staff.

The drawing up of fall-out shelter plans for private homes has been one of the main undertakings of the federal E.M.O.

The organization also looks after training and frequently offers courses both in various areas and at the civil defence college in Arnprior, maintained and administered by the Department of National Health and Welfare. Those courses have been attended by federal and provincial representatives, and also by mayors and reeves of several hundreds of municipalities in Canada. In Sherbrooke, the municipal authorities recently selected Colonel Sarto Roy to attend those courses.

Contacts between this organization and local civil defence organizations are also provided for otherwise.

To sum up, I should say that very great progress has been accomplished in the field of emergency measures, and this is why we are able to conclude that the Canadian population has every reason to have confidence in the present administration of this country. The vision of our leaders and their carefulness should lead us to do so.

Before closing my remarks, I should like to put one humble suggestion to the Minister of National Defence (Mr. Harkness) which might also be put to the cabinet as a whole. It has to do with civil defence. Could not the Department of National Defence and the government consider the possibility of including in their winter works program the development of underground parking lots in municipalities where the population is more than 25,000? Such a project would achieve two objectives. In the civic field, it would alleviate parking and traffic problems in larger cities. In regard to civil defence, those underground parking lots, suitably organized from the standpoint of health and food services, would, in my humble opinion, accommodate adequately the people who would have to take cover in case of emergency.

(Text):

Mr. Carter: Mr. Chairman, the minister reminded us this morning that this was his first presentation of the estimates of the department since he assumed the most important portfolio of Minister of National Defence. I should like to begin my remarks by extending to him my very best wishes on this very important occasion. I should like also to join with him in the tribute he paid to his predecessor whom we all respect as a gallant soldier and as a gentleman and whom we still remember with a great deal of regard and affection.

The minister told us this morning that we are living in a time of stress. He referred particularly to the threat of Soviet domination and the threat of force to attain that domination which overshadows us at the present time and which is indicated in the resumption of the testing of nuclear bombs.

It has been interesting to hear some hon. members draw a parallel between the use of nuclear weapons and the use of gas in the last war. In my opinion a true parallel cannot be drawn. It is true that both sides in the last war had the capability of using gas and of engaging in bacteriological warfare, yet neither side actually did so. Both sides refrained; but that I think was because each side was waiting for the other to start. If we are going to draw an exact parallel with respect to nuclear warheads we must somehow come to a decision in regard to the use of nuclear tactical weapons. While our parallel is based mainly on our thinking about strategic nuclear weapons, the line between tactical nuclear weapons and strategic nuclear weapons is very thin and it is getting thinner with every new scientific development. Therefore, unless we do come to some understanding and agreement about the use of nuclear weapons for tactical purposes, then it is quite possible that the parallel will break down and one side may be tempted to use tactical weapons with nuclear warheads to offset the disadvantage of inferior numbers.

The minister told us also that this threat of Soviet domination was being implemented on many fronts. He listed the economical and political, the ideological and the military fronts. He told us that to combat it counteraction was required in all these areas. To my knowledge this is the first time that any minister has openly acknowledged the importance of the ideological factor and the need for ideological counter-measures.

Hon. members are well aware of my interest in this aspect of national defence; therefore they will understand my disappointment that today the minister chose to confine himself solely to the military aspect of our defence policy. It is well known that the military leaders of the U.S.S.R. and the Chinese republic put the ideological factor first. To them this is paramount and everything else, including economic policy and strategy, military policy and strategy and political manoeuvres, is subordinated to ideological considerations.

In the debate on the estimates of this department last year I made extended reference to this matter, as can be found in *Hansard* of August 5, at page 7619, and I do not intend to repeat what I said on that occasion. I merely wish to call to the attention of the minister the words of Air Vice Marshal Traill, who said:

> The war of arms, if it comes, is an extension of the ideological war. At the higher levels, military and ideological strategy are one. Together they form the strategy of this world conflict. If we wish to survive it is madness to consider one in isolation from the other. The enemy is very clear on this. He is equally prepared to take an ideological or a military initiative, to use an ideological or a military weapon.

Since these words come from such an eminent military authority, I think they should be given very serious consideration. I ask the minister to do this and I express the hope also that he will have something more to say on this important subject later on in this debate. At the same time I should like to compliment the minister on the ideological awareness which he has displayed on several occasions since taking office. That awareness is evident also in the statement he made this morning in his reference to the ideological implications of unilateral disarmament and of peaceful coexistence which, in my opinion, is an effective answer to those who urged coexistence upon us in the debate which took place a few days ago.

We have Mr. Khrushchev's own words about peaceful coexistence, and I should like to put them on record at this time. Mr. Khrushchev has spoken a hundred times on peaceful coexistence. The most precise definition he has given of it appeared in a speech he delivered at Novosibrisk some time ago. He said:

> Peaceful coexistence must be properly understood. It represents a continuation of the struggle between two social systems, but a struggle carried on by peaceful means, without war and without interference in the internal affairs of other countries. For us it is an economic, political and ideological struggle, not a trial of military strength.

The plain fact is that peaceful coexistence does not mean peace but struggle, and we would do well to follow the minister's lead and explain this to our people at every opportunity.

The minister also told us this morning that the cornerstone of Canada's foreign policy was collective security based on a system of alliances as signified by NATO, NORAD and the United Nations organization. He pointed out:

> The strength of union is the sum of the individual members.

And also:

> Only so long as the will of the individual member remains steadfast will the coalition be strong and its will to stand together be abundantly clear to any would be aggressor.

These two statements which I have quoted in the reverse order from which the minister made them point up the need for a positive unifying force in NATO. At present we are unified in NATO mainly by fear, by fear of the threat that faces us, but fear is never satisfactory as a source of unity, as we know from our experience in the last world war. Many nations then bound themselves together and called themselves united nations but as soon as the immediate threat disappeared the unity disappeared along with it. In my opinion maximum unity cannot be attained until we have worked out a clear-cut ideological objective which will challenge the communist and non-communist world alike.

Last year I advocated the setting up of an ideological strategy board which I outlined on page 7623 of *Hansard*, and I again ask the minister to give consideration to this suggestion.

All hon. members regardless of party will find themselves in full agreement with the two objectives outlined by the minister this morning, namely peace by preventing war and the prevention of our subjection to a foreign power. To these I should like to add a third objective, namely that we should work together to create a new moral climate from which a true and lasting peace can result. In the debate that was concluded yesterday we heard something about the lessons of history. The lessons of history teach us that peace never follows disarmament. That was the lesson of world war I and world war II. True disarmament can only follow a true peace and a true peace can only result from a climate which develops out of the practice of moral values.

Although general objectives are convenient for the purpose of making a brief summary or for giving a broad outline of policy, I feel it would be more helpful and certainly more conducive to an orderly debate if these general objectives could be broken down into a number of specific objectives. For the benefit of the committee I have listed a number of objectives which in my opinion should comprise a defence policy for Canada. I should like to place them on the record in the following order:

1. To maintain a strong, healthy and sound economy capable of withstanding economic attack and of providing at the same time a strong economic base for a total defence effort.

2. Within the limits of manpower and economic capacity, to make the maximum contribution of men, machines and weapons for the defence of Canadian territory by land, sea and air against any aggressor.

3. To defend the Canadian people against ideological penetration and aggression.

4. To develop and maintain the highest possible morale both among the armed forces and the civilian population; to develop the will to resist aggression, to survive and to win.

5. Within the limits of manpower and economic capacity (a) to make the maximum contribution to the continental defence system of North America through NORAD; (b) to make the maximum contribution to the defence of the rest of the free world through NATO; (c) to meet our commitments and obligations to the United Nations organization and to increase its effectiveness.

6. To maintain a fully mobile force of the order of a brigade group that can be put at the disposal of the United Nations to help extinguish small brush-fire wars before they can develop into big ones.

7. To develop and maintain an adequate program of civil defence, including defence against nuclear flash and fall-out, together with the necessary organization of personnel and equipment to make it effective.

8. To promote the fall-out shelter as the symbol of our will to survive.

9. To offset the "Maginot line" psychology engendered by defence thinking, planning and training and by means of ideological training to enable both service personnel and civilian population to go on the offensive and take ideological initiatives. This is the only area where offensive action is possible but it is a most vital one.

10. To maintain a proper balance of manpower and materials as between defence requirements, including defence industries, and civilian requirements so that the one will not undermine the other or impair the economy as a whole.

11. To achieve the best defence value for every defence dollar.

12. To preserve—I think this is most important—the prestige and honour of service in defence of one's country as one of the highest and noblest professions.

While there might be no disagreement with the general objectives stated by the minister there might be room for disagreement as to specific objectives and the methods by which they may be attained. In particular, I think there is room for disagreement as to the means of making the maximum contribution. It is open to question whether Canada's maximum contribution can be made best through more up-to-date and efficient equipment or through increased manpower as the minister advocated this morning.

I think there is also some room for disagreement whether we are really getting the best value for the defence dollar. Certainly when we look to the role of the navy there is room for doubt, in spite of what the minister told us this morning, that we are really getting the best defence for our tax dollar. It is true that the minister is going to man the navy to full strength but those destroyers are not capable of dealing with the type of submarines now possessed by the enemy. Certainly if we are going to place emphasis again on the use of conventional weapons we must think more about the conventional role, and the types of warships that we have at the present time are not very useful in this regard.

I think that the government should give more consideration to the use of hydrofoil vessels for naval purposes, as they are now developed to the point where they can deal more effectively with submarines and can be used for the rapid transportation of troops and equipment. I think possibly we should also be thinking about the use of killer submarines.

There is no doubt in my mind that we cannot obtain the maximum value for the tax dollar until our services are completely unified at the top operational level. Here I wish to point out that I am not talking about the kind of unification we have had so far which has resulted in an increase in personnel rather than a decrease. While I am on the subject of the tax dollar, I should like to draw to the committee's attention the parallel of Sweden. Sweden is a small country with a population of 7.5 million people. Her defence budget for 1960 was the equivalent of $550 million, Canadian, and that is comparable to an expenditure for Canada of $1,320 million. This year we are spending something of the order of $1,600 million.

For Sweden's $1,320 million, this is what the people get. They have an army of 250,000 troops, 14 divisions of first line troops; an air force of 1,000 first line aircraft, most of which are interceptors and ground attack fighters. For the navy, Sweden gets approximately the same number of ships as the Royal Canadian Navy, but uses only about one third the number of personnel we do. They will soon have included in their navy 33 modern submarines, some of which have anti-sub capabilities.

In so far as civil defence is concerned, for an expenditure of about $200 million, Canadian, in 1958 and declining to $55 million in 1960, the Swedish government is providing the nation with civil defence measures which include not only warning, information, fall-out shelters, evacuation plans, and re-entry organizations but also blast shelters in literally every city over 50,000 people. Over one half million Swedes have been given intensive civil defence training in one role or another. Every new building in Sweden includes a fall-out shelter costing about 2 per cent of the over-all construction cost. People living in older buildings pay toward the cost of public blast shelters which are nearby for their use.

Mr. Martin (Essex East): What was the cost for 1960?

Mr. Carter: It was $200 million in 1958, declining to $55 million in 1960. I think when you compare what Sweden gets for her defence dollar with what we, in Canada, are getting for our defence dollar, the discrepancy is very apparent.

It is evident from what the minister said this morning that the government has reconsidered and reversed its stand on the threat from manned bombers.

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

Mr. Carter: I have only five minutes left, so I would rather wait to the end. If I heard the minister correctly this morning, he said:

> The bomber, if unopposed, is the best and most effective way of delivering atomic weapons. It is necessary, therefore, that we maintain a defence against such a threat as long as it is in existence. We do not know how many long range missiles of adequate accuracy the Russians possess, but we do know the number is limited. On the contrary, it is a fact that they have a considerable number of manned aircraft in operation and should an attack be decided upon it must be presumed that these would be used.

Now, in my opinion, this view stands out in sharp contrast to what we were told two years ago, that the threat of manned bombers was decreasing and, in fact, had decreased to such an extent as to justify the destruction of the Avro Arrow which to many Canadians, I think, was a symbol of Canadian achievement. The armed forces are being trained in an operational role in which we hope they will never have to be employed. There is also a peacetime role which is now, and always will be, necessary. I should like to think that our armed forces form the backbone of our nation. We have seen in recent years how countries like Pakistan and Burma have had to fall back on the military forces when their democratic processes broke down. Only a few weeks ago we saw Brazil probably being saved from communism by the positive action of their military forces.

Now, the real strength of any nation is national character. I should like to close by

quoting the words of Mr. Edison, a secretary of the United States navy in 1940, who said as follows:

> There is one ingredient in national defence which transcends all others. It is born of the hearts of our people and it may be called national character. Without character and a deep-seated moral armament bred into the fibre of our citizens, no matter in what walk of life they may perform their civil tasks, there will be little worth defending. The navy is responsible for the training, welfare and discipline of its personnel. But these are few. A hundred and thirty seven million others—

That was in 1940 and today he would say a hundred and eighty million or a hundred and ninety million others.

> —must know why their country lives and is worthy of living.

I think if we can instill in the minds and hearts of our armed services personnel the thought that they have a role as the backbone of our country, then that will go a long way towards restoring the prestige and honour of service which the armed services used to enjoy and which made it one of the noblest and highest professions.

Mr. Chambers: Will the hon. member permit a question now? I was wondering if the hon. gentleman, in his comparison with Sweden, was advocating that our armed services be paid at the same rates of pay as Sweden's?

Mr. Carter: Well, I think that is a false comparison. The Swedish forces are paid on a scale which enables them to enjoy a standard of living comparable to that enjoyed by our forces.

Mr. Bigg: Mr. Chairman, I consider it a great honour and privilege to take some small part in this debate on the subject of Canadian defence. I take a great personal interest in Canada's defence and am not ashamed to stand and speak about it because I was a volunteer in the last great war. I do not relish the thought of a third great war. Nevertheless after reading the newspapers and hearing reports from abroad, I could not be sure that the third great war has not already started. We certainly have got to the point in international blackmail where it is hard for a man with red blood in his veins to sit idly by while our children and our children's children are poisoned from the skies in a cynical fashion. If the Russians do not know that this is a war against humanity, then it is time every free man in the world stood up and said what it is. Whether we have to retaliate in kind now or later, we do not know. We pray it may never come.

Let me take you back a thousand years or so for a few moments because if there is any use in reading history, it is to try to learn some of the lessons which history has to give manking. I take you back to the days of Ancient Greece. Ancient Greece was a medium sized nation like Canada, these people were by and large simple, decent people who like to work in the lumberwoods and to sail the seas. They were in short industrious and free men. A great nation called Persia wished to extend her empire into Greece. Amongst the Greeks in those days, as in Canada today, there were many well meaning persons who hated war and who preached pacifism, tolerance and brotherhood; and well they might do so. But this did not deter Persia. Persia amassed an army of 10 million men. She moved down on little Greece and as she came, city after city offered gifts of earth and water which were the symbols of subservience. Athens, the greatest of Greek cities, was civilized. She liked ease, luxury and pleasure. She had those things. She was offered a dishonourable peace and refused. The few who wanted to fight marched against the Persian host and those who did not want to fight waited at home. The few who fought, won. The Persian king could not understand his defeat and he asked those around him why Greece did not fall. Nobody could answer him. I think I can answer him. I think that character won and will always win.

The challenge today is the same as it was 3,000 years ago. We face this same disaster, if you like to call it that. But we do not have to go down to defeat. A bully and a slave never fights like a free man. I will go further than that and say that if you can convince this bully that you intend to fight like a free man, the chances are that you will never have to do so. I think that world war II started not in September of 1939 but at Munich. I hope that world war III has not already started. If it has not already started, I think it is time that all free men stood together and that they make it clear where they stand.

Some hon. members in this chamber have suggested getting out of NORAD. Why get out of NORAD? We cannot get out of NORAD. They say we lose sovereignty by being in NORAD. If we are not in NORAD we lose everything. There is no choice. Those who say we give up our sovereignty should read history as well. Let us go back once more for a lesson from Greek history. Athens, which was the greatest city in Greece, gave up leadership to her hated sister city Sparta in the war because she thought Sparta could carry arms better than she could. Victory was won again because Athens put freedom ahead of pride. As a Canadian I put freedom ahead of the pride of Canadians and say that if our great neighbour the U.S.A. has the armed

strength to deter nuclear war and the conventional strength to fight a conventional war, then I am going to be morally strong enough to stand beside them and for a short time share sovereignty with them. I am not afraid to share sovereignty with people who have never waged an aggressive war. Slow as they were to come into two wars which they did not start, they helped us in a magnificent fashion to finish them. I am not one who is afraid that even in a nuclear war or in a conventional war the slave nation which is Russia can whip the nation which is with us in our struggle to remain free.

To get down to hardware, may I say this. I have always stood for Canada being strong at home and generous abroad. She cannot be strong at home without the hardware. However, there is a limit to the price we can pay for the hardware. Those who argue about the value of the CF-105 and the CF-104 might well consider that when you are buying a child a rattle, if the rattle is made of diamonds and gold it cannot be afforded by a middle sized nation like us. I think the 104 aircraft is equal to if not superior in many ways to the 105. I have taken the trouble to go and see it. Our airmen have tested it. The airmen are glad to have it and I am proud to have some small part in providing them with this magnificent weapon. This weapon will also be built in Canada. It will be built by Canadair in Montreal. I would urge hon. members to go down there and see it being made. It is a magnificent weapon.

To those hon. members who say that this government has no defence policy, I say they are not abreast of the times. This government has and has always had a defence policy. That policy is to provide our people morally and physically with the weapons with which to defend freedom. However, we must do it within our economic structure. We are also going to build training planes in Canada. This is going to help our economy. It is going to balance our economy and add payroll to our working force. It is a proper and well thought out policy.

In conclusion, Mr. Chairman, may I say that I know where I stand, I know where my government stands, and I know where the great majority of the people of Canada stand. I welcome what has been done as far as the government has gone. I can only hope that we expand our idea of national service and tell the young people of Canada and the old people also what it means to be a Canadian and that the price of freedom cannot come too high.

Miss LaMarsh: Mr. Chairman, this is the first opportunity I have had since I have come to this house to enter a debate on Canada's national defence policy. I value this opportunity although, as do most other modest members, I shrink from it as I come to the responsibility of criticizing the defence policy of the government with little in the way of formal preparation. I make no apology, however, for the fact that my service during the last war was in a women's service and that it was only as an enlisted woman. Perhaps it may seem peculiar to those who sit in this chamber and who had high rank to know that a sergeant also thinks about what may happen in the future of her country. But I make no apology, Mr. Chairman, because, as have most people in Canada, I have been spending the past several years in particular with an increasing awareness of the discussions in the popular press of what was happening through the Department of National Defence in an effort to maintain a defence of Canada. May I say that in the past four years it has been a record indeed worth watching. I think it has indicated, as did the announcement this morning by the Minister of National Defence who has been unkindly called the minister of national pretence, the almost pathological penchant of this government for guessing wrong. We have seen what happened less than a year ago where a spokesman of the Department of Labour and indeed the Prime Minister announced to the country that unemployment was not a problem because it would go with the snow. Through 1961 we watched a deepening recession. We watched the growing number of unemployed. We found that finally the government came to acknowledge that there was in fact an unemployment problem in Canada and feeble efforts were then made to right the situation.

Perhaps even more important was something heard by hon. members who were in this chamber a year ago, when the Minister of Finance brought down his budget. The minister said it would be a tremendous gamble for Canada to be involved in any program of devaluing the dollar. Then we saw him completely swallow his tail a few months ago and come out with a program for the devaluation of the dollar.

Mr. Hicks: A successful one too.

Miss LaMarsh: That remains to be seen. In defence as well we had the Prime Minister on February 20, 1959, announcing to this house, as reported at page 1221 of *Hansard,* that because the experts—nameless then, as now—had indicated that the day of the modern, long range bomber was over, the proudest achievement which Canada had ever made, the production of the Avro Arrow, was to cease at once and would be no more.

The government then launched upon probably its most ineffective policy, the defence

of Canada through two Bomarc installations. It was incredible to me then, as it is now, being out in the country, to read in the press of this murder most foul. This involved not only the destruction of the jobs of the people then employed at that plant, the almost desolating of the area and the loss to Canada of a magnificently trained team, but also the destruction of a weapon into which a great deal of money had gone and which at that time appeared superior to anything elsewhere in the world.

Perhaps even more incredible was the cutting of the body into small pieces and the burying of it deep. But in this as in other matters, as William Shakespeare once said, "Murder will out". The Arrow will come back to fly again and to show the people of Canada that what this government has done again has been to take the wrong path. I do not suggest that this particular aircraft can be resurrected. The plant and the personnel are gone. The government in this one particular, at least, did a complete job.

That was an aircraft which meant more than just a piece of hardware not only to the pilots who might be flying it but to the people of Canada. It was an aircraft which was specifically designed for the needs of our forces. This was a crown corporation set up to create a piece of weaponry to the specifications of the department. It was an all-weather aircraft. It had a speed which, with the completed engine, would have been 1,500 miles an hour. It was able to climb and to operate at 75,000 feet.

Mr. Chambers: How long could it stay in the air?

Mr. Hellyer: Not as long as the parliamentary secretary will.

Miss LaMarsh: It was a weapon which would have made Canada at this particular date more capable of defending herself than she is today. The *Globe and Mail,* which is not always a supporter of this government, published an editorial on February 21, 1959 called "The Beginning—and the End". The editorial was with reference to the demise of the Arrow program and the writer said what everyone in Canada then said:

> We are in no position to judge the exact merits or life of the Arrow; on that subject, there is a welter of conflicting opinions. But this Canadian-developed airplane is not the important thing—it might as well have been a Canadian-developed locomotive or automobile. The important thing, the only important thing, is the future of the engineering, technical and research establishment that brought the Arrow into being.

That, of course, was dissipated by this government. It was dissipated to the United States, whence we now must draw our weapons. In any event, at that time all hon. members of parliament and many people in the country were stunned at the government's decision to do away with this program. No one knew exactly what information the government was acting upon, whether it had some particular information which led it to believe that missiles and missiles alone were to be used in any possible assault upon Canada. Thus, the country stunned, waited to see what this government would produce in the way of defence.

I think one of the most important things was that those weapons, the Avro Arrow, were produced in Canada by Canadian workmen who received wages and paid taxes to this country. Since that time it has been necessary for us to rely upon weapons which are produced in other countries, which do not produce the same taxes but which must be paid for out of Canadian taxes.

The Arrow was made to order for the geographical facts and the climatic conditions of northern Canada. It was the only one prepared with those specifications. When the government decided it would be no more, it launched itself upon a program in which our defence reduced itself to two Bomarc installations. These of course were part of a chain of Bomarc installations. I think there is probably no one in Canada who is at this moment a resident of an area closer than I am to a Bomarc installation which is already armed with nuclear warheads. In Niagara Falls, New York, which is a few miles from my home across the river from my constituency, a weapon is ready. There are, in addition, Nike Zeus installations which are armed with nuclear warheads.

The Bomarc was wanted by this minister's predecessor and by government spokesmen, to be a sort of Maginot line. First it was wanted as a protection of Canada and second as a protection for the nuclear deterrent in the United States. Such pretence has already been exploded. It defends nothing. Its range is so limited, and its speed is—

Mr. Browne (Vancouver-Kingsway): Its range is longer than that of the Arrow.

Miss LaMarsh: That, of course, is not correct. The flying range of the Arrow was some 2,500 miles.

Some hon. Members: Oh, oh.

Mr. Browne (Vancouver-Kingsway): You had better read it again.

An hon. Member: Smarten up.

Miss LaMarsh: I have to refer to the Vancouver *Sun* of June 14, 1961, which reads as follows:

An hon. Member: That is not very accurate.

An hon. Member: Don't believe all you read.

Miss LaMarsh: This article in the Vancouver *Sun* contains the following:

> The Arrow was expensive. It was also a lot of airplane. It flew 1,400 miles an hour. It had an operational ceiling of 75,000 feet. It could break the sound barrier while climbing. Its range was officially stated to be considerably more than 2,500 miles.

Mr. Horner (Jasper-Edson): Three hundred.

Miss LaMarsh: From this I take my information. In any event, what we have now is the Bomarc with a 200 mile range, and the Bomarc—

Mr. Browne (Vancouver-Kingsway): Four hundred.

Mr. Drysdale: Yes, 400.

Miss LaMarsh: I am sorry. I must accept it has a 400 mile range. I take this again from the *Globe and Mail* of May 4, 1961. This editorial is entitled "Ban the A-Bomarc". The editorial continues:

> The Bomarc has been the object of expert controversy, and even the claims made for it are poor enough to raise serious doubts. It has a 400-mile radius of action, which makes nonsense of the story that the two Bomarc bases at North Bay and Mount Laurier are essential to Canadian defence. Those bases belong to a chain of 10 launching sites designed for the protection of U.S. cities. Even supposing the Bomarc did intercept an enemy bomber (and its published score so far—

And this was in May of this year:

> —is nine failures out of 22 trial interceptions) the resultant explosion would be so close to Canada's major population centres as to endanger—by radiation fall-out if nothing worse—the greater part of our population. In fact, the Bomarc is incapable of intercepting the only major weapon of intercontinental attack today, the ballistic missile.

And yet, that was the purpose for which the government introduced the Bomarc as Canada's defence. It appeared that this would be the weapon of defence which the government was to provide for Canada. The Russians have warned that the day of the manned bomber was not over. According to an article in the Montreal *Star* of July 28, 1961 the Russians have produced a bomber called the Bounder which is said to be capable of speeds as high as 1,600 miles an hour or more than twice the speed of sound. The Bounder was revealed at the Moscow air show. The government and its advisers then for the first time appeared to be aware that there was in fact a manned bomber threat and that what they had counted upon as providing defence for Canada would be insufficient. They then had to make the about face to which I referred earlier.

I was amused to note a number of editorial comments about whether the government had been improperly advised in the first instance. I wish to draw to the attention of the committee a comment made by Livingston Merchant, United States ambassador, at the time the latest aircraft was introduced in Canada. I think this comment is most apt. I refer to an article in the Ottawa *Journal* of July 25, 1961 under the signature of Gordon Dewar. The ambassador, speaking for those who felt the manned fighter was out of date:

> —recalled "Hobbes' observation that hell is truth seen too late".

I suggest that this is the position in which the government finds itself today. After months of delay the government entered into negotiations with the United States and has now accepted for use by our air force the Voodoo aircraft. This has been compared with the Arrow, obviously. It appears to fall short of it in performance. It is, of course, a design that is ten years old. It is an aircraft that is no longer being produced in the United States. We will be accepting this aircraft from some Californian bases. It is unlikely that it will last even as long as the aircraft which it is now replacing. Its fastest recorded speed is 1,200 miles an hour, although as I pointed out the Bounder is alleged to have a speed of 1,600 miles an hour. Its ceiling is, I think, 52,000; its range, 2,800 miles. I wonder if the government will try to justify the Voodoo on the basis that it is inexpensive, since it cannot in any way be a weapon which will defend Canada. We have the word of the Prime Minister and of the former minister of national defence to the effect that the manned bomber is no longer a threat, although the present minister has today changed his mind on this subject.

Are these to be the only weapons upon which we rely? Will we rely upon them together with the Bomarc? We have now received or are to receive in Canada four weapons including the Bomarc—there are two installations shortly to be armed with something—the Starfighter which is to be delivered to our NATO troops, the Honest John and the Voodoo.

Numerous statements have been made by the present Minister of National Defence and by the Prime Minister with respect to at least one of these weapons to the effect that they will not fulfil their capabilities without nuclear warheads.

Throughout this country there has been raging for many months, and indeed since the death of the Arrow, a controversy about whether or not Canada will become a nuclear power. We have waited now some ten or 11 months in this session of parliament to ascertain what is the government's intention. It depends upon whose statements you read

and at what time they were made, whether you listen to the Minister of National Defence, whether you listen to the Prime Minister—and on what occasion—or whether you listen to the Secretary of State for External Affairs.

On one hand we see pressure for disarmament. On the other hand we see pressure to enter the nuclear club. As yet, there is no decision. I ask, Mr. Chairman, how any intelligent decision can be made as to how this country can be armed and defended unless the government will make up its mind and will make clear its policy concerning what it intends to use to defend us. Is the Bomarc, an expensive installation, to be used with non-nuclear warheads? Is the Honest John to be used with non-nuclear warheads? Is the Voodoo to be equipped with the Genie or is the Voodoo to be equipped with non-nuclear warheads? This, of course, is at the crux of the question of the defence policy or lack of defence policy of this government. The whole country has been awaiting the defence debate in order to ascertain what the policy of the government will be.

The policy of my party has been clear for some time, with respect to the acceptance of nuclear weapons here. It has been repeated again and again. We do not accept at this time nuclear weapons on our soil. We have nothing to gain from accepting such weapons. Although it is not impossible that there may be in the future, there is not at the moment any weapon which will defend against missiles. There is the Nike Zeus which has a limited range and certain defects because it cannot ascertain whether it is heading for a missile or some of the debris that falls away from the missile.

There is at this time no weapon which Canada can acquire which will necessarily constitute a defence against missiles. It appears that we are now turning back to acquiring a type of fighter which is supposed to be a defence against manned bombers and yet, in fact, even from the latest information available in the press it appears that the weapon we are to adopt, if not already obsolete, will shortly become obsolete. Are we to be left without defence while this government casts about from one side to another and again waits until it is driven into a corner before making up its mind?

This country requires a policy of defence. We have for this purpose a minister of defence and an associate minister. I charge, Mr. Chairman, that unless they have a clear answer to the question of whether or not we will use nuclear weapons this country will not be convinced that we have in fact any policy of defence for Canada. I would hope that before the debate concludes the minister will find it possible to decide that he will not accept nuclear weapons, that that being the case he will then review the decision as to what weapons Canada intends to use and will perhaps discard some of them. After all, this government has destroyed the Arrow despite the money put into it. The government has already shown itself capable of making a complete about face in the space of a few years. This perhaps is the most important thing the government could ever do, to make a right about face in the minister's apparently deliberate approach to the use of nuclear weapons.

[Miss LaMarsh.]

Mr. Harkness: Mr. Chairman, after the other hon. members who wish to participate in this debate have made their contribution I intend to cover the various points that have been made. However, I do not think I should let any time pass at all in clearing up the complete inaccuracies and misapprehensions which we have just been subjected to, particularly in connection with the Arrow, the F-101 and the Bomarc. To begin with, the opinion so-called which the hon. lady has given to the committee is based chiefly on editorials in Liberal papers—

Miss LaMarsh: The *Globe and Mail.*

Mr. Harkness: —and are completely inaccurate editorials; in most cases written also chiefly for political purposes. I saw one of those editorials in the Toronto *Star* not very long ago, in which they stated inaccurately that the F-101, which we have just secured had about half the performance that the Avro Arrow would have had. There are various statements along this line, which are completely false.

In connection with the Avro Arrow, I should like to say first of all that there is no question at all that the decision to go ahead with building the Avro Arrow was the greatest single mistake ever made by any government in Canada in connection with defence equipment matters or in connection with defence production.

Mr. Hellyer: Will the minister permit a question at this point? It is entirely up to him. Having said that, will the minister agree that it was the single greatest mistake ever perpetrated by a Canadian government to carry on the project for two years after the government changed in 1957?

Mr. Harkness: No, I would not. I will deal with that particular point.

Mr. Hellyer: That is when the change in technology came about.

Mr. Harkness: I know the hon. gentleman knows that he is on a very sticky wicket in

connection with the Arrow, and when anybody attempts to make any statement on it he always interrupts. However, the actual situation with respect to the Arrow is this. The previous government took the decision to produce the Arrow without having any idea what the cost was going to be and without having any idea whether any other nation would buy any of those Avro aircraft. In spite of that fact they went ahead; they spent a large amount of money, running into hundreds of millions, in starting production of this aircraft, and when we came into power we found that this program was there. A lot of money had been spent on it, and we made the greatest possible efforts to try and interest other countries in buying this airplane.

Mr. Hellyer: You did not, you wrote a few letters. You never put it in production so it would have a chance.

Mr. Harkness: Hon. gentlemen across the way are so sensitive on this Arrow point that they will not even allow anyone to try to explain the situation. As I say we tried, and tried very hard. I must say the company tried hard also to sell this aircraft to other countries. We were unsuccessful; they were unsuccessful, and eventually we got from them very definite estimates of what the cost was going to be for this airplane. What was the cost going to be, Mr. Chairman? Here it is. This is to be found in the minutes of proceedings and evidence of the defence expenditures committee for 1958 and 1959 at pages 89 and 90. The total cost, as given to the committee at that time, was going to be $2,289 million for 169 aircraft, plus 37 pre-production models, some of which may have been serviceable and could have been used. But the actual number of aircraft that were to come off the line were 169 at $2,289 million. This meant that those aircraft were going to cost per copy the sum of $12.5 million each. This was just completely out of line; it was completely out of reason. If we had proceeded with that program it would have meant that we would have had to devote most of the defence budget, as it was at that time and as it has been since, to pay for those aircraft for some two or three years. In other words, it was just completely out of reason from a financial point of view for Canada to go ahead with the Arrow program. As a result, we took the only course we could take and cancelled that contract.

As I say, it was the worst single mistake any government ever made as far as defence equipment matters are concerned and as far as placing a defence order is concerned.

The hon. lady made a lot of comparisons, on the basis of those newspaper editorials, between the F-101B, which we have just secured, and the Arrow. The actual fact is that the performance of those two aircraft is very comparable indeed. Furthermore, rather than being an indeed. Furthermore, rather than being an old, obsolete aircraft, which is the impression hon. members opposite are trying to convey and have been trying to convey for some time past for purely political reasons, this aircraft is the best two-seater, two-engine interceptor aircraft in operation on this continent at the present time.

Miss LaMarsh: Is it still being produced? Will the minister answer the question? Is it not true that this aircraft is now out of production in the United States?

Mr. Harkness: It is true that they have come to the end of the production line and they have produced all of those aircraft that they are going to produce at the present time. This does not make it an obsolete aircraft. As I say, it is the best two-seater, two-engine interceptor aircraft which the United States or any other of the western nations has in operation for intercontinental defence—

Miss LaMarsh: An American hand-me-down.

Mr. Harkness: The hon. lady says "An American hand-me-down." If she wants to call the best aircraft of its kind in existence and flying an American hand-me-down that is perfectly all right with me. But she has demonstrated in the speech she made that she does not know what the situation is in regard to this aircraft. She does not know what the situation is in regard to the Arrow and she does not know what the situation is in regard to the Bomarc and the other things she has been mentioning.

As I understood her, I think she made the statement that we were getting the Bomarc in order to have a defence against intercontinental ballistic missiles. Nobody ever said that at any time. That is a statement which is completely inaccurate. This statement has been mentioned by one or two other people here today. It has been said here that the Bomarc will not shoot down intercontinental ballistic missiles, and to try to bring that statement into a debate on defence is merely an attempt to confuse the issue. There is no relationship between the Bomarc and intercontinental ballistic missiles.

The two Bomarc squadrons which we are putting and will put into operation in Canada are, as has been stated, part of a chain of ten which protect all of the eastern part of this continent from bomber attack. They were designed against bomber attack. This is their purpose. All of the people who are expert on

this have looked into the thing carefully and are convinced that this chain is a very effective defence against manned bombers; and the manned bomber is still the chief threat as far as attack on this continent is concerned.

Mr. Hellyer: I do not intend to reply in detail or at length to this intervention which the minister has just made. However, there are two or three points which must be repudiated immediately. First of all, the former administration did have estimates of the cost of the aircraft before it was put into preproduction. Like most other developmental projects, the cost increased as production went along. This is quite natural. The minister will find this when he comes to pay the bills for some of the things he has been talking about in the last few days. They will exceed by several times the estimates that he has given this house.

Now, the thing that I object to most is the fact that the government has tried to mislead both the house and the country on any information it has ever put out in respect of the Avro Arrow.

An hon. Member: Never.

Mr. Hellyer: The minister has taken advantage of the fact that the hon. member for Niagara Falls was misled by a misprint in a newspaper editorial. But let me tell you, Mr. Chairman, that after the government had poured hundreds of millions of dollars into this project for two years through 1957 until the end of 1958 and finally decided peremptorily to cancel it without putting anything in its place, resulting in 25,000 or 30,000 men being thrown out on the street, the information on the range of the Avro Arrow which was made public for political purposes by the government was 100 per cent wrong. It was subsequently corrected by the Minister of National Defence himself before the special select committee on defence expenditures, where he revised the range estimates 50 per cent from what they had been previously.

Neither the house nor the country can have any reliance on the figures given by the government in circumstances like these. Not only that, but every man who has ever had anything to do with the development of aircraft knows that pre-production models can have their range increased very substantially as the later marks come along. The Voodoo itself in its earlier models only had half the range it now has in the model which will be used by the Royal Canadian Air Force. The minister knows that and his officials know it, but he is trying to mislead the house and the country by distorting the picture.

Tonight he did the same thing. He got up in the committee and deliberately said that if 200 models of the Avro Arrow had been produced the cost would have been $12 point something million per copy. He knows as well as I do that this is on the basis of the original Canadian designed fire control system. He also knows that that fire control system had been cancelled and the Hughes fire control system substituted for it months before cancellation. He also knows that the substitution of the Hughes fire control system made a difference in the ultimate cost of hundreds of millions of dollars, or millions of dollars per copy. Yet tonight he has the audacity to get up in the committee and once again try to mislead the house and the country in respect of the record with regard to the Avro Arrow. I think this should be deplored, Mr. Chairman, and I hope the minister will not try to do it again.

Mr. Harkness: I should like to say just a word or two. There has been no attempt on my part to mislead the committee and there never has been that I am aware of. I did not go into all of the various complications of the Arrow. I simply said that we found that the Arrow would have cost this amount of money as it had been planned and projected and was being produced under the plans of the previous government. We did get the company to change the fire control system and so forth and they eventually came up with a price of $7,800,000 a copy. It was still an enormous price—

Mr. Hellyer: It is only a difference of $5 million a copy from what you said ten minutes ago.

Mr. Jones: You said your Arrow had been cancelled, and your Arrow was to cost $12 million a copy.

Mr. Harkness: —and the cost would still have been astronomical and completely unrealistic. The hon. member is very sensitive on this matter of the Arrow because he knows that the previous government made a terrible error in ever starting it.

Mr. Hellyer: Nothing comparable to you.

Mr. Smith (Simcoe North): Mr. Chairman, I believe that the remarks of the hon. member for Niagara Falls have been very well answered by the minister but there was one suggestion in her speech with which I should like to deal very briefly. She said that the industrial and technical capacity of the Malton area had been very much reduced by the cancellation of the Arrow. I do not think that the facts or statistics will bear this out. One only has to drive along highway 400 or 401 or through the Malton area to see the great number of new factories involving

highly technical operations that have been built there since the Arrow was cancelled. I think statistics will prove that the industrial and technical capacity of that area have increased greatly from the time the Arrow was being built.

I should like to deal very briefly with two matters concerning national defence. We are living under a very imminent threat of war. If war does come we can be sure that it will not result from any provocative act of any Canadian government nor will it be because of lack of effort on the part of any responsible Canadian to prevent war. Some might argue with a certain amount of logic that if the Russian tests of atomic bombs in the atmosphere continue we are already under attack because of the unmeasured and unknown damage that may be done to future generations by atomic fall-out. If war comes it will not be by accident but by a deliberate act and Canada, if for no other reason than her geographical position, will be involved. Therefore if we have any true faith in democratic principles and if we are a Christian country as we claim to be, we must take all steps necessary to survive. We will do this, not through piecemeal surrender of principles but by our determination to hold on to those things that in our way of life have real value.

For these reasons we cannot overemphasize the need and importance of every Canadian supporting to the fullest the civil defence program, the survival programs of the militia and the emergency measures organization. If these efforts are not worth our physical and material support, then perhaps we should surrender in craven fear to alien philosophies. This is not the course for me and I do not think it is the course for most Canadians.

I should like to turn to another matter of less immediate urgency but of great importance. All Canadians today are worrying about the education and training of our youth for the rigorous times in which they will live their adult lives. We are preoccupied with the lack of schools, teachers and training facilities. We question whether or not we can provide them in the meantime to preserve our way of life. Certain experiences I had this summer have made me think there is in the Department of National Defence a competent and largely unused teaching capacity. This summer I saw three groups of cadets, air cadets, officer training cadets at Camp Borden and militia cadets at Barrie. No one who saw these young men would deny that they are better prepared and adjusted for adult life as a result of their training; nor could anyone honestly say that they had been made militaristic by this training.

As a country lawyer I come into contact in my practice with many young people who have not made a successful adjustment to adult life. As I watched these fine young cadets I could not help but regret that cadet training was not available to far more young Canadians. I hope that the minister and his department will make every effort to extend this excellent youth training to many more thousands of our young people.

(Translation):

Mr. Brassard (Lapointe): Mr. Chairman, I have no intention to speak at any length in this debate, but I want to express a few ideas with regard to some comments we have heard during this discussion.

Everyone, including the Minister of National Defence (Mr. Harkness) and the Secretary of State for External Affairs (Mr. Green) as well as the Prime Minister (Mr. Diefenbaker) has voiced his ideas on the war threat.

For my part, I believe that in some cases, everyone of those hon. gentleman has exaggerated the danger of war better to justify some steps they are about to take in the field of employment or with regard to increasing our armed forces.

I do not expect a war, but this is my very humble opinion. I do not expect war, in the ordinary sense of the term.

Those who are closely following the speeches and actions of the Soviet leader know that he is mainly interested in two kinds of warfare—first of all economic and then psychological warfare; he is out to fight ideas, and more particularly the ideas of those who do not share his way of life and his way of thinking.

The free world should, none the less, prepare its defence. But it should not go beyond preparedness with regard to defence, because it could then be accused of wanting to be an eventual aggressor. We must indeed build up our defence, keeping in mind the old Latin proverb:

Si vis pacem, para bellum.

I think we should not play into the hand of the Soviets who would have the free world and all nations in the world stand idly by and live in peaceful coexistence with the communist world.

Without trying to teach anyone a lesson, I think we Canadians and the free world in general must not forget that a primary duty of any human being is to avoid doing unto others what we do not want to be done unto us.

If all would obey this rule, there would be no war and NATO would no longer be necessary, any more than NORAD or the United Nations.

We would be united in brotherly understanding, which in itself would ensure peace.

But such is not the case, unfortunately. We all suffer from our downfall and every nation has its ambitions of material as well as spiritual conquest. This is why the free world must not stand idle in the face of the threats levelled against it at this time.

I am inclined to share the views of some hon. members who would want us to withdraw from NORAD. Not so long ago, those same hon. members changed their views a little, since a certain convention; they would even have wanted us to withdraw from NATO. This is an association of free countries which has prevented Soviet leaders from making territorial gains in central Europe, in eastern Europe and in Europe generally, since its foundation in 1949.

I do not recall exactly the number of bilateral agreements the communist world has entered into with several countries since the end of the war; and yet Russia had long given us the assurance of its peaceful intentions.

The free world must wake up at all costs, not only by preparing its defence, but by not remaining idle in the battle undertaken for the conquest of minds by the Soviet world—here I mean its leaders, because there are many millions of Russians who are bowed down under the yoke—and we must not stand idle, I say, in the face of this dreadful threat hovering over our heads.

While we answer through speeches and press releases the leaders of the Soviet state or of a few other satellite countries, the Russian world—I mean its leaders—take action and we retreat. They do things like this for instance: they establish the international friendship university in Moscow which opened last fall. That university will receive the most brilliant students from the continents of Asia and Africa and from Latin American countries. Their travelling expenses will be paid by the Soviet union. Those people will spend four, five or six years at the international friendship university where they will not only receive an academic or technical training but will also be educated in the line of thought of the Soviet leaders and the communist philosophy.

While we are talking, they are building vocational schools, like they did two years ago in Addis Ababa, they are also building hospitals, as they have done as well in Africa, still in Addis Ababa, to give only another example. Africans admitted into these institutions are charged ridiculously low fees or nothing at all, and their minds are infiltrated with the way of thinking of those teachers of atheism and of materialism.

In order also to distract the free world's attention from the actions of the Soviet leaders, the forum of the United Nations is used as well as all the international organizations, where attacks are directed against the free world, with the result that we are constantly on the defensive. For instance, when the Russian world or more specifically Mr. Khrushchev, speaks about the colonialism of capitalistic countries, why not get up with statistics and names of countries and why not give details to show the entire world that the greatest colonial empire today is the Soviet empire, where millions of human beings are subjected to the tyranny of those bosses who are constantly abusing the words "people" and "democracy". It might also be wise to try to get this information through into the Soviet countries and their satellites.

When we see all this, we are inclined to ask ourselves a question. We wonder if today, in 1961, men with warped minds are not attacking the conduct of honest people only to make them waste their time and make them assume the onus of proving that they are not guilty.

This reminds me of something I have read saying that the sons of darkness are much more crafty than the sons of light. My hon. colleague from Niagara Falls (Miss LaMarsh), a few minutes ago, asked the Minister of National Defence to tell the country and the house what policy the Canadian government has adopted concerning nuclear weapons.

During a C.B.C. interview, the Minister of National Defence stated—and I want him to correct me if I am misquoting him—that nuclear weapons were necessary. That is not quite what he has told us nor what was stated by the Prime Minister and, in particular, the Secretary of State for External Affairs, since the business of the house was resumed.

The radio commentator questioning the minister said: "When do you think we shall have nuclear weapons on Canadian soil?" The Minister of National Defence for Canada answered that he had nothing else to add.

I feel that the man who, with his colleagues, is responsible for determining our stand on that most important issue, which has a tremendously deep influence on world peace, should at least be in a position to advise the house as to the steps the Canadian government intends to take in connection with nuclear weapons.

Mr. Martin (Essex East): Hear, hear. And before the end of the session too.

Mr. Brassard (Lapointe): Above all before the next general election.

Mr. Chairman, I should like for a moment to come back on certain ideas expressed on NATO by some of my colleagues who sit at my extreme right. I have not heard in this house many comments unfavourable to NATO, particularly since a certain convention. We heard quite a bit though, before the great convention held at the end of July.

Ideas have changed since then, but it seemed, at the time at least, that there was a tendency to promote the idea that Canada should withdraw from NATO. Now, everyone knows that this international organization has been set up thanks to the intelligence and creative imagination of the Leader of the Opposition (Mr. Pearson), who was then secretary of state for external affairs of the former prime minister of Canada, the Right Hon. Louis St. Laurent, and thanks also to the very close co-operation of the hon. member for Essex East (Mr. Martin) who, at that time, was following Canada's foreign policy closely.

I feel it is belittling our country's role in the field of peace to promote the idea that we should now withdraw from an organization whose development we have facilitated, and which has proven, since 1949, that it was not only necessary but essential to peace in Europe and throughout the world in general.

We also have an obligation of solidarity towards our allies, whether they be in Europe or in America. We cannot ignore our southern neighbours, nor can we ignore our friends in Africa, in Asia or in Europe.

We have responsibilities towards them and in carrying out those responsibilities we look after ourselves at the same time.

The idea that we should remain neutral makes me smile. I do not believe in neutrality any more than I believe that any man can belong to no church at all. In 1961, I believe in people who commit themselves, who fight for an ideal and for their ideas; I believe in those who fight for peace and for the welfare of humanity. We are just as responsible for our friends in Asia and Africa as for our fellow citizens. In fact, what good would it be to live in a country whose economy is flourishing, if at any one time events occurring on another continent could jeopardize our security?

In my opinion, we have a serious moral obligation towards all our compatriots, and today our compatriots are not only the people of Canada but every citizen of the world. I hope the government understands that and that they will act accordingly.

Let us take at least one example concerning the Russians and when I speak of the Russians, I mean their leaders especially. We do not share the same faith nor the same ideals but one of the great differences between the Soviet leaders and those of the free world is that the former live according to their beliefs and, in saying that, I fully realize that I, for one, am far from being true to my ideals. I am of the opinion that before calling for a change in the world, before saying that everybody wants peace, we should first seek peace ourselves and act in such a way that we are living testimonies of peace.

Mr. Chairman, I do not intend to delay the committee, but if the Minister of National Defence speaks again a little later, I would ask him to give us some information about the very vague statement he made in a televised interview, and like hon. members who spoke before me, I wish that my fellow Canadians and all the people of the free world advise those who want war, whether it be ideological or economic war, those who wish to enlarge their possessions, briefly, those who do not want the welfare of their neighbour, to think twice before going into action. I wish that we, Canadians, should set the example and give proof by our action that we really want peace.

(Text):

Mr. MacLellan: I should like to preface my remarks, Mr. Chairman, by offering my congratulations to the Minister of National Defence who, as he himself has said, is presenting his estimates to the house for the first time today. I should like to congratulate him upon the record he has shown in the very short time during which he has been Minister of National Defence. He has done a great deal to try to clear up a good many of the misapprehensions that exist in the country about problems respecting the defence of the nation and of the free world generally. In my view it is extremely important that this has been done. Perhaps in some way this debate will further help to clear the air in this regard.

I myself have found that there is more confusion in the minds of many Canadians concerning the matter of national defence than

about any other single item of national import. One of the most obvious confusions I find is one that I have seen exemplified here during this debate, namely the confusion of the three fronts upon which the communist world advances upon us. As I see it, the communists challenge us on three separate sectors. First of all, as has been mentioned by many who have spoken, there is the ideological war in which they try to shape men's minds to accept the proposition that the communist form of government and the communist system of world order, in which all the nations would be brought under one dictatorship would provide the best future for the world. Second, there is the economic front. Many of those who have spoken here today have said that they think the most important fronts the communists have opened have been the ideological and economic ones. I feel that just as important as, or perhaps more important than either one of those attacks, and just as important as or more important than the hammer and sickle, the symbol of the communist ideology, is the red star, the symbol of the Russian army.

If we look at the record of accomplishments of the Russians in advancing in the world since 1945 we see they have accomplished much more by force of arms than by economic war or ideology. In 1945, when the rest of Russia's allies had disbanded their armies in the hope that freedom was safe for many centuries after the Nazis were defeated, the Russian army kept at full war strength. Despite their undertakings at Yalta in February, 1945, to allow the people in the countries over which their armies had run to have free elections, they forced upon a hundred million people in eastern Europe the slavery of communism.

I think it is very important to note that this was not done with ideology; it was done with the Russian army. Their stand there has been maintained not with ideology but under the red star of the Russian war machine. Communism is dangerous because it attacks men's minds. It is just as dangerous, or perhaps more directly dangerous, as the vehicle upon which Russian imperialism marches, supported always, everywhere in the world, by force of arms.

After 1945 the Russians kept 200 divisions under arms and with these divisions they gobbled up Poland, Hungary, Roumania, Czechoslovakia, East Germany, Latvia, Estonia, Albania and Finland. Since that time, as I have said, their most important successes have been with armies. They occupied North Korea while at the same time the southern part of Korea was occupied by the armies of our allies. An agreement was reached that Korea would be vacated as soon as the country seemed able to look after itself. The Russians took advantage of their time there to build up a communist army in North Korea, and when South Korea was vacated by the forces of freedom they engineered an attack upon that country. In the Berlin blockade of 1948 they sought to force their way upon the people of that city with armies, not with ideology. Their present threat to free Berlin is a simple threat of force.

While we must always be ready to defend democracy and to push forward our ideals and spiritual beliefs in the world, on the ideological and economic fronts, I think it is a great mistake, and one under which many people labour, that we can with ideological and economical warfare alone meet the Russian threat.

Until NATO was formed in 1949 we had no chance in Europe. I am sure that if NATO had not been formed at that time and developed since then into the very powerful force it is today, all Europe would be under the Russian heel.

I talked very recently to a senior diplomat from a European country which has had some experience with the communist army. He told me that from his 30 years in diplomacy and from his observations of wars and rivalries between countries he was convinced that if we had not the armed strength we now have the Russians would have no hesitation in attacking us. He said the Russians would knock this nation and any other free nation flat to accomplish their aims if they were not afraid to do so.

I think it is from that point of view that we must face any question of national defence of Canada and the part we play with our allies to marshal the NATO nations and the other unconquered nations of the world against this Soviet threat. When NATO was taken over by General Eisenhower as Supreme Allied European Commander in 1950 it was very weak indeed. All that was left of allied forces in Europe were some 12 divisions, mostly administrative and occupation forces, some 400 aircraft, 400 ships and a few airfields. Yet, as I have said, the Russian army was at full strength. Since then, by acting together in NATO and by realizing that only by standing together can we stand at all, we have built up an army in Europe that is considered quite capable of stopping any advance by the Russian army with conventional arms in Europe.

It is true that it is not of the strength of the Russian conventional force, but when it is considered that many more times the force or power will be needed to attack than to

defend, it is felt by most people informed in military affairs that the NATO force in Europe would be successful in stopping a Russian advance.

However, the NATO shield has to be further built up. It will cost us money to do so, but I am one of those who feel that we must spend to develop our conventional forces as well as to assist where we can in the nuclear deterrent, if our nation is not to be seared by atomic war. No one can tell me that in weakness there is hope of avoiding war. That was the mistake of 1914 and of 1939.

I feel that the chief hope for safety in our country, and in the other nations of the free world with whom we are allied, is the great nuclear deterrent force we have at the present time. I feel it is incumbent upon us as members of NATO and in partnership with the United States of America to maintain that striking force where we can and to do everything possible to see we are not at the mercy of Russian military nuclear might by default.

Many people ask me why Canada does not develop its own deterrent force and why it must rely upon nations like the United States. Or perhaps they have read books like Mr. Minifie's "Peacemaker or Powder Monkey" and have been led to subscribe to the thought that we would be better off to go it alone as a neutralist in the world. We might thereby pick up leadership and prestige which otherwise we would not have. It seems to me if, as Mr. Minifie and other people suggest, we spend our money to assist other nations to fight only the ideological and economic war, we would leave ourselves open very soon to the devasting attack of the Russian military force. It is recognized by all hon. members in this house that we Canadians cannot afford to contribute to or to maintain any sort of deterrent force. I suppose if we could and if we had the capacity to do that as has the United States of America, it would be our moral obligation to try to equip and maintain a deterrent force of our own since only behind such a force is there protection for the free world.

We cannot afford to do that. We have been told today by the Minister of National Defence that it would have cost over $2 billion to put the Avro Arrow aircraft into squadron production, and when we hear of the prices paid by the United States to develop missiles and so on, it is obvious that we cannot afford to be in the big race; we cannot maintain direct deterrent forces. We can, however, do something to help protect that deterrent so it is available for retaliation in case it is needed. We can do something to make sure the deterrent force is there to discourage an enemy from daring to launch the weapons of atomic war upon the free world.

With our radar system in this country we are now assisting in the warning of a missile or bomber attack. We can with interceptors and with the Bomarc missile help stop an attack on this nation or this continent. The argument has been put forward that the Bomarc and interceptors are not the final answer to an attack by Russia, and therefore we should make no attempt at all to meet the threat from that quarter. It has been said that the manned bomber is disappearing, and indeed I believe it is, and therefore we are wasting money if we cannot stop both missiles and bombers with weapons of the nature of the Bomarc or present day interceptors. It seems to me that the Hawker Hurricane and the Spitfire were not the final answer either to the defence of England in 1940, but they helped. The Bomarc anti-bomber missile and the interceptor will help defend us and the day may come when we will require all the defensive fire power we can find. It also seems to me that if we did not try to defend against the manned bomber we would be inviting an enemy to attack us with a very much cheaper and more readily available weapon than the intercontinental ballistic missile.

I should like to read an excerpt from a speech made by Dr. J. E. Keyston, vice-chairman, defence research board, which I think very neatly sets forth Canada's position with regard to the Bomarc and interceptor defence against the manned bomber. Dr. Keyston said:

> Let me now turn from broad defence policy considerations to a specific point of controversy that springs up when any reference is made to our defences against bomber aircraft.
>
> It seems that everyone knows we are rushing rapidly into the missile age, and that in the next decade Russia is more likely to be producing intercontinental ballistic missiles than long range bombers. So why put any more money into defences against bombers? I am not going to involve myself in all the facets of this question and their answer, but I would make the following observation. If we are to deter Russia from attacking, NATO must provide a deterrent that is balanced. I can think of no better way of encouraging Russia to use missiles as the threat and bombers for the actual surprise attack, than by our deciding she will not use bombers and our allowing NATO's bomber defences to decay.
>
> So long as the military game remains that of frightening Russia as much as she frightens us, the NATO alliance has to keep as up to date as Russia does in capacity for attack and capacity for defence in relation to all modern weapons. This is why, unhopeful as solution may appear, scientific research toward finding a defence against missiles must go on, and why research toward improvement of more conventional defence—and attack—must not be dropped. The Russians are not only very good scientists and engineers but they are outstanding chess players. Many a man, playing against the expert at chess, has kept his eye on his opponent's

pieces, only to suffer the humiliation of a checkmate by a miserable pawn that has been pushed through the defence.

It is also in the nature of a deterrent that it must not only be balanced but continuous. At any moment of time, one has to deter attack by the bombers, missiles, or other weapons available to the enemy at that time.

I submit that if the weapon sought by both the free and communist world is an anti-missile missile the Bomarc "B" is at least a long step in that direction from the manned interceptor. If the defence of tomorrow is the anti-missile missile it seems reasonable that Canada should attempt to find out as much as she can about missile warfare and about defence against an enemy attack by missiles. Perhaps the great cost of an anti-missile missile may mean it will never be developed. However some day there might well be a defence against nuclear attack by missile and it is more likely to be by anti-missile missile than by any other means. With the Bomarc our forces are being trained in the use of the weapons of today against manned bombers; some more advanced version of the Bomarc may be tomorrow a weapon against missiles that might attack from over the Arctic circle. Moreover if we are to maintain defensive installations in this country to protect our soil, purely defensive weapons that have no purpose but that of defence, I think they should carry all the punch they possibly can. The Bomarc is purely a defensive weapon. It has no offensive purpose whatever. It has a range of from 400 to 500 miles. There is no way it can be used to attack any other nation on our borders except, of course, technically the United States one might say. It cannot be used to launch an attack against the Soviet union. It is solely designed as a defensive weapon to knock down a bomber that might swoop down some night from high over the Arctic circle to attack our cities or the defence bases which house our deterrent force. If that time ever comes the weapons we send up to protect us should pack all the punch, nuclear or otherwise, that is available to us.

If we are equipping the Canadian forces with interceptors that are designed to meet, attack and destroy enemy bombers that are destined to turn our cities into ashes or to burn our countryside with nuclear blast, the aircraft should be armed with the most force that modern science can devise.

The argument is raised that if nuclear weapons are on our soil even for defensive purposes we must lose some of our sovereignty in having them here, in that they must be under the joint command of our nation and the United States. If the night ever comes when we wish to send a Bomarc missile or a Voodoo interceptor high into the sky to defend us, it would be a poor answer to the citizens of Canada to say that we were not properly armed because we feared some loss of sovereignty in so doing.

It is important to realize that for a generation we may be in the present stalemate. As long as there is no defence against nuclear attack it may well be that there will be no major war. Never in the history of humankind has a weapon been used in war, such as that available today, to which there is no defence, when both sides had this weapon. That is the present situation in world affairs. There is no complete defence to a nuclear attack except the threat of instant massive retaliation.

In the years ahead we have to be prepared to meet the challenge that Russia presents in terms of ideology and economic pressure. We must make the greatest sacrifices we can afford to make to counter this. We must do as much as we can to aid the underdeveloped nations in raising their standards of living and assuring them of their share of the world's blessings. We must harness our resources and square our shoulders to the burden of this quarter century. We must face the fact that we are confronted with a direct challenge from an enemy who knows no law and who will pull no punches in an effort to destroy us in his attempt to achieve world domination. While this situation confronts us we must be prepared as a first call upon our resources to defend our nation with modern arms, as modern arms threaten us. We should do more in terms of marshalling the will of the nation to that end. We have so many people who are willing to do what they can to assist nations that are not yet as highly developed as they should be and who are nevertheless highly confused with respect to defence. We must make every effort to make clear to them that the enemy is without, that some day we may need every resource at our command to defend our soil. It must be made clear that while we have no intention of attacking anybody, while we will make every effort to negotiate world problems and find peaceful solutions yet at the same time we are prepared to arm ourselves in kind against the force arrayed against us.

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

Mr. MacLellan: Yes, Mr. Chairman.

Mr. Herridge: I ask my question because I did not hear the news today. Would the hon. member tell us when the news broke that the red army had gobbled up Yugoslavia?

Mr. MacLellan: Mr. Chairman, Yugoslavia was conquered by force of arms and is kept

in a suppressed state not necessarily by Russian arms but by communist arms.

An hon. Member: He means Czechoslovakia.

Mr. Browne (Vancouver-Kingsway): Mr. Chairman, the Prime Minister and the Minister of National Defence have outlined in clear and unequivocal terms the position of the government with respect to defence policy and therefore I do not need to elaborate very much on my own views. However, I feel that the matter is of such importance that the people of this country are entitled to have placed on the record the views of the individual members of the committee.

One thing has become clear in the debate. I refer to the fact that the renewed threat of Soviet aggression has brought about on the question of defence policy a greater degree of unanimity than we have seen heretofore in this chamber. There was on the part of hon. members of the opposition a noticeable absence of statements such as were made by them not long ago to the effect that we should weaken our defence efforts in one way or another.

We have heard some statements of that kind coming, of course, from the C.C.F.-New party group. This is typical. I noticed this afternoon that the hon. member for Peterborough told us that we had nothing to learn from history. I do not know how many times we have to go over that, or how he expects us to learn in any other way than by looking back and seeing what has happened in the past. We do not need to look very far back through the pages of history to realize that if we are to survive in the world today we are going to have to be able to defend ourselves properly.

It has been said in the past that those who ignore the mistakes of history are condemned to repeat them. As I say, we do not need to look very far back through the pages of history to see what happens when we are not prepared to defend ourselves.

It has been said that sometimes we blunder into war because we have not had the proper international machinery for negotiations and, second, that we have not had a proper system of collective security. Well, since 1958 we have had both of those to a very great extent and I think the policy we have pursued since that time has been a very successful one. It was going along very successfully until we had spokesmen in various countries thinking it was going along so well that we could afford to weaken it. I am not at all convinced that it was not statements of this kind which have put us back in the position where we are now facing Soviet aggression once more.

It has been pointed out by many speakers in this debate that at the end of the second world war—one could go back further and learn the same lesson over again but we need to go back only that far to discover what happened—the western nations immediately disarmed, as we had done on previous occasions. We soon found out that the Soviet union had taken over the Baltic countries, parts of Finland, Poland, Czechoslovakia and Germany. Then, they went on to bring pressure to bear on Turkey and Iran when they did not want to take their troops out of there. Then, subversion was put on Hungary, Burgaria, Rumania, Poland and Czechoslovakia.

All of this happened when we were not in a position to defend ourselves; we did have international machinery for negotiation at that time. The United Nations had been formed but it became quite clear at that time that the United Nations alone was not able to give us security in the world. This situation obviously has not changed because we need to look back only to the time of Korea to see how useless the United Nations was at that time, or would have been, except for the fact that Russia had walked out and was not there to apply the veto which it did on every other occasion. In that particular instance the United Nations was able to take action, as I say, simply because of the fact that Russia had walked out of the meeting. Therefore, it becomes quite clear that if we are to survive we must have a collective system of security.

As I say, since the formation of NATO we have had that and it has been very successful. Therefore, when we come to discuss Canadian defence policy, in my opinion we can only discuss it in so far as we are a part of that system of collective security. It would be absolutely senseless to try to isolate it and I think far too much of this debate has been taken up in getting down to a very local level and a discussion of particular weapons which I do not think members of parliament are able to assess adequately. Surely, this is a matter for technical experts and for the government to decide, based on the advice given by those people who are in a position to make decisions of this kind.

We had a very good example in the speech made by the hon. member for Niagara Falls who read from newspaper editorials, and we learned how many ridiculous statements were made which were shown to be absolutely and completely unfounded. Statements of this kind which mislead the people of the country are very dangerous because if we are to succeed in our defence policy that policy must be freely understood and supported by all the people of this country.

Mr. Hellyer: The minister has the facts and he misled the people.

Mr. Browne (Vancouver-Kingsway): Nonsense. Of course, the defence policy of the west is to maintain peace. This has been pretty generally agreed upon in the house, but I think what we might add to that is that we want to maintain peace on honourable terms. I add this because some of the speeches which have been made in the house would lead us to believe that we should accept peace on any terms. Those countries in Europe which have been swallowed up by the Soviet union have found that you do not need to have a hydrogen bomb dropped on you to lose human freedom and dignity. Therefore, I add these words because if there is any difference of opinion amongst members perhaps it may be in that regard.

I noticed a statement which appeared today in a paper called the *Outlook*, which was dealing with some of the statements made by members of the New Democratic party, and ones that we heard in this house today. I am going to read this rather short article. It is headed, "How to Surrender" and reads:

> "The Commonwealth", the official weekly organ of the C.C.F., published at Regina, Saskatchewan, devoted the main editorial of its issue of July 5 to a plea for "a peace department" of government to replace the department of defence. This proposal was made by the left-wing organization "The Voice of Women" at its first annual meeting held at Toronto in June. "The Commonwealth" recommends that the replacement of the defence department by a department of peace be made a major plank in the program of the New Democratic party.

Perhaps this has been accepted and is a major plank in the program. I take it the member for Peterborough would be speaking for the New Democratic party. The article continues:

> If the attitude of the "Voice of Women" were to be adopted by the federal government through a so-called "department of peace" replacing the defence department the result in practice would be to surrender to the communists, whose main concern is world conquest by irresistible military power. That the free world should be disarmed by internal agitation on the lines of "The Voice of Women" policies is a cardinal part of communist policy. When an organ of the C.C.F. comes out for a "peace department" it is in effect advocating surrender to the reds. If such a policy is adopted by the New Democratic party, it will earn and deserve the reputation of being an effective Soviet agency.

Mr. Martin (Timmins): Will the hon. member permit a question? Apparently he is prepared to accept Gladstone Murray as an authority on the New Democratic party. If so, will he also accept the New Democratic party's description of Gladstone Murray as being equally authentic?

Mr. Ricard: There is no relation whatsoever.

[Mr. Browne (Vancouver-Kingsway).]

Mr. Browne (Vancouver-Kingsway): I have reason to have a little more confidence in Gladstone Murray than in anything I have heard coming from that corner.

As I was saying, when we consider where these statements come from they may not appear to be too harmful because this is a rather small group and does not represent the view of a large number of people of this country.

Mr. Martin (Timmins): I do not think Gladstone Murray does either.

Mr. Browne (Vancouver-Kingsway): However, as I say, it is important that the majority of Canadians understand the defence policy of the country, and what we are trying to do so that it will be fully supported and we shall not have statements of this kind made and the public misled as to exactly where we are going in our defence policy.

We have seen what has happened. I pointed out that in 1945, at the end of the second world war, we saw what happened when the Soviet union made the great advance it did because we had no collective security. Now NATO has provided that. As I say, we were going along very nicely. In fact we got going along too well and everybody started saying, "Now we can afford to weaken things a little bit, we have done so well." If the Soviet threat that is facing us now has done anything, surely at least it has awakened us again to the danger, and perhaps in the long run it may be a benefit to us, because I feel sure it will bring those nations closer together than they have been in the last two or three years.

I believe we are going to have to expand the deterrent weapons that we have, and have had during the past number of years. The policy has been, of course, to deter the Soviet union from attacking any of the North Atlantic treaty countries, or indeed any other country in the world, by having those forces necessary to be able to restrain them. I have some misgivings about the talk going on now with respect to building up conventional forces because it seems to me that if the Soviet union thought for one moment that we would be willing to fight what is now being referred to as a conventional war they probably would have no hesitation in starting one. I do not think there is any doubt that we would not be able to compete with them on those terms and would not be able to keep an army in the field in Europe that would fight with conventional weapons in order to deter them from aggression.

It has been the nuclear deterrent, mainly the strategic air command of the United States, that has in my opinion prevented the Soviet union from starting anything over the

past few years. I believe we would be making a mistake in giving the Soviet union any indication whatever that we are prepared to see them go into any country in the free world today and take it by force of arms if they can.

There has been a good deal of controversy over what are conventional weapons, because it is obvious that the Soviet forces would have tactical nuclear weapons as they are called. Surely we would not want to put our men in the field to oppose them with so-called conventional weapons. On the other hand, if we equipped our forces with tactical weapons we obviously would not be able to fight a limited or conventional war. It is interesting to look at what the historians have to say about the last war when we talk about fighting a limited or conventional war. I came across a rather interesting statement today in a book by Stephen King-Hall entitled, "Our Times, 1900-1960". He discusses the aims of Hitler in 1939 and I should like to read one short sentence from page 190:

> His immediate purpose in 1939 was to seize the western half of Poland in a short, limited war.

That war did not turn out to be very limited and I do not imagine that if a war should start now it would turn out to be very limited either. In any event, I do not see why we should give any consideration whatever to turning away from a policy which has been sound and successful over the past ten years. One would think the fact that it has been sound and successful in the past ten years would make us want to strengthen the concept under which we have been working. When John Foster Dulles was on the scene he made it quite clear that we were not going to accept aggression, that if the Soviet union attacked any free country in the world they were going to be subjected to a nuclear attack.

I am convinced that policy has worked and will continue to work provided we remain united, keep up to date and secure the proper weapons that are required. For that reason, before we start any campaign to build up conventional forces I think we should take a very careful look at the idea of suggesting to the enemy that we are willing to accept a conventional or any other kind of war. Surely that is only going to lead to trouble. It cannot have any other result. It is quite clear that a nuclear war means destruction for the entire world. It does not make any difference whether we want to call it a conventional war or a limited war. If the major powers become involved in the fighting then sooner or later tactical weapons are bound to be introduced and then strategic weapons, if there is any differentiation between those two types of weapons.

For that reason I believe that if we are going to defend ourselves at all it is going to be by means of the nuclear deterrent and I believe that the nuclear deterrent must be spread among the NATO countries in so far as it is possible and that we cannot continue to rely mainly on the strategic air command of the United States. I am not saying that is all we have. There is a very large dispersal of armaments throughout the world now, but I think Canada is going to have to give consideration to whether the United States should have missile bases in this country. After all, we are on the side of the United States. There can be no mistake about that. I for one certainly reject any idea of placing Canada in any position of neutrality or trying to place the United States and the Soviet union in the same category. We can only be on the side of the United States. There is no other place for us to be.

If we are going to defend this country, then we must do so with every possible means at our disposal. It has already been pointed out that so far as nuclear weapons for Canada are concerned there may be some argument whether we should have strategic weapons of a missile nature in this country to act as a deterrent against Russia, but if the policy of deterrence is what we are going to follow then surely it is neither right nor reasonable for us to expect the United States to carry the brunt of such a policy and for us to sit back and say that it is all right for the United States to undertake everything and we will sit back and hope that they are going to be able to look after things. There may be an argument about whether or not we want to have weapons of this kind but, as has been said previously with regard to the Bomarc missile and weapons of that nature, weapons which cannot shoot beyond the borders of Canada, weapons which can do only one thing, shoot down an attacking airplane flying over our country, if we are going to antagonize by having nuclear warheads on these weapons I can only say that we are in such serious danger that it is not going to make any difference. If we are going to antagonize somebody by defending ourselves, I do not see what purpose there is in discussing the matter any further. Surely we are entitled to do that much. It will not harm anybody else for us to have that weapon on Canadian soil and I do not think we should have any hesitation whatever in making that decision.

Miss LaMarsh: You have had nearly four years to do that.

Mr. Browne (Vancouver-Kingsway): These warheads cannot be used until the weapons are installed. When they are installed that will be the time when we have to make that decision. During the course of the remarks of the hon. member who is interrupting I did not hear any suggestions. I heard some rather idiotic criticism without many facts to support it. I did not hear her refer to many of the statements that were made by her party previously. The hon. lady got up and attacked the government's defence policy.

Miss LaMarsh: Or lack of it.

Mr. Browne (Vancouver-Kingsway): I did not hear her refer to the remarks that were being made by the Liberal party some time ago about weakening our defence efforts, such as withdrawing from NORAD, having another look at NATO and perhaps considering whether we would be better off red than dead.

Miss LaMarsh: That is a deliberate misstatement.

Mr. Browne (Vancouver-Kingsway): It is statements of this kind that have put us in the position that we find ourselves today. However, they may not have been a bad thing because perhaps they will make us realize that there is only one way to survive in this world and that is to prepare to defend ourselves. I suggest that we should look at these matters in a realistic way rather than from the political point of view of saying those things which we think are going to appeal to our constituents at any given time. Some of the positions that have been taken by the Liberal party as they have jumped from one side of the field to the other have been rather remarkable. I can recall the Leader of the Opposition speaking in 1959 and talking about conventional wars. Then he dealt with tactical nuclear weapons. As found at page 7756 of *Hansard*, it will be seen that he was in favour of them. He thought they were a great thing, that our army should have them and that we should not expect our men to fight without them. However, by August 5, 1960 he had changed his mind and decided that we should not have them. I do not know whether that is political expediency but I want to say that I believe every hon. member has an obligation to put his views on the record because we may not have a second chance. If we make a mistake in what we are doing in trying to defend the free world today, we might not get another chance. In previous wars we have been able to blunder at the start and then, after the war was started, we have been able to build up our forces and eventually succeed. If there is another war, we are certainly not going to have that opportunity. When we consider this question of defence, therefore, we want to make sure we do not make any mistakes.

Well, I am satisfied with the policy as outlined by the Prime Minister and the Minister of National Defence. I think the vast majority of Canadians are. However, I believe that it is the responsibility of all the members of the house to make sure that policy is spread across the country and that the people of this country understand it because misunderstanding and dissension can do a great deal of harm. There certainly is no room for political bickering. We have got to arrive at a common policy and with that policy we have got to stick. It is quite obvious if we are going to be a part of collective security, then we have at least got to have unanimity in our own country. For that reason, there is no sense in political bickering, especially when we are agreed on the broad general policies to be followed as was evident from the external affairs debate.

However, when we come to debate defence policy, then we find there are differences of opinion, mostly of a mind and nature as I pointed out, such as those concerning the individual weapons that are going to be used. Well, to put on a front of that kind does not help us very much when a united front, a determined front is one that is very important. The psychology of deterring the enemy is perhaps just as important as the weapons we have. We have many groups in the country that oppose a policy of deterrence. They are not large groups, but they can do nothing but aid and comfort the enemy and cause him to believe that perhaps we are not united enough to follow up the policy we have set. If the policy we have set is going to succeed, any potential aggressor has to be convinced we are going to carry out that policy; that we are not going to settle for something less or we are not going to back down at the last minute.

Many people have said that wars have started in the past because one side did not know what the other's intentions were. It has even been argued that if the United Kingdom had made its position clear earlier in 1939 we might not have had the second world war. We have to make sure there is no mistake about what our intentions are at the present time.

I have heard a number of members get up in this house and make that statement, but then by the time they finished speaking I was not quite sure what their intentions were. I do not know why we cannot get our intentions set out in plain terms so that not only we understand them but the other side understands them as well.

I suggest our policy has got to be, as it has been successfully for the past ten years,

that of a nuclear deterrent. We are not going to accept aggression on the part of the Soviet union. They have got to understand that we are not going to accept that aggression. They have to understand if there is going to be a war at all, it is going to mean destruction for them as well as ourselves and, therefore, war is absolutely unthinkable. In my view, that is the only policy that can succeed because it has been shown that negotiation alone cannot succeed. I doubt very much whether or not the United Nations would even be in existence today if it were not for NATO. The so-called uncommitted countries would not be in a position then to make the kind of statements they are making now. I am sure that Mr. Nehru would not have dared go to Moscow and say anything to Mr. Khrushchev if it were not for the North Atlantic Treaty Organization because he simply would not have been in the position to do so.

We want to continue to negotiate. We are not going to be able to negotiate from a policy of weakness. If we have a chance for survival at all in this world today it is by maintaining a nuclear deterrent of the utmost possible strength on the part of every country in NATO and to make sure the other side knows what that policy is.

(Translation):

Mr. Dupuis: Mr. Chairman, our genial colleague from Vancouver-Kingsway (Mr. Browne) just gave us a rather confused overall picture of the international situation at this time. I have a feeling that his speech will not have much effect on Mr. Khrushchev's or Mr. Kennedy's attitude. At all events, I should like to leave for a few minutes the subject of Nehru, Khrushchev, Kasavubu and Mobutu, and deal with a problem which is of closer concern to me, i.e. the serious problem faced by the employees serving the present government in military quarters throughout the province of Quebec and elsewhere, and more particularly in my riding of St. Jean-Iberville-Napierville, where we have an R.C.A.F. base, as well as the royal military college at St. John.

Mr. Chairman, I want to draw the attention of the house to the treatment received by employees of the Department of National Defence who do not come under the civil service commission. I trust the Minister of National Defence (Mr. Harkness) will personally look into those cases which are really deplorable.

In 1961, for instance, we find that employees of the Royal Military College or of the R.C.A.F. station get an hourly wage of 87 or, perhaps, 89 cents. I need not add that those wages are entirely inadequate, more particularly when it is well known that in the mines, for instance, a labourer gets a minimum wage of $1.90 an hour. In comparison, the wages paid to those employees in the Department of National Defence are too low and I think it is really revolting to see that in 1961 wages of 87 or 89 cents an hour are still being paid.

Moreover, I should like to point out to hon. members that before 1957, i.e. before the Conservative party came to power—I do not know whether this is a coincidence but that is the fact—national defence employees received regular yearly increases. But since 1957 for some and 1958 for others, there have been no increase whatsoever. I do want to point out this entirely abnormal situation to the minister.

Mr. Chairman, I do not know what is going on elsewhere but I have put on the order paper this week questions about the wages paid particularly in North Bay, Ont., St. Hubert, Quebec, Comox, B.C., and at the military colleges of Royal Roads and Kingston. When the minister has given me the information, I will be able to make comparisons, but in any case, one bad situation is no excuse for another.

At the R.C.A.F. base as well as at the military college in my constituency, waitresses, assistant cooks, kitchen labourers, truck drivers and others, are paid absolutely inadequate wages that do not allow them to provide a decent living or even bare necessities for their families.

In the past, that is before 1957, those employees who were not under the civil service had the opportunity to work overtime; they then earned much higher salaries.

In fact, a truck driver told me that in 1955, for instance, he made $1,500 more than he does in 1961.

Furthermore, before 1957, employees who worked on Saturdays and Sundays were getting more, since they were paid time and a half and double time, whereas today they are paid regular salaries as low as 70 cents, 90 cents or a dollar an hour.

Mr. Chairman, I suggest this situation cannot go on any longer especially if we consider that the unemployed get $36 a week from the unemployment insurance fund, while full-time workers in national defence only get $40 a week. We should reconsider those salaries and give those employees who are devoted servants of the Department of National Defence salaries which should really compare with those of other workers in other fields.

Mr. Chairman, I would also point out that lower salaries are being paid in some areas. For instance, salaries are lower in St. John than in St. Hubert or Quebec City. I wonder why kitchen hands should get less if they work in another area. Yet, the same rate is paid to civil servants, regardless of the area where they work, as well as to servicemen, regardless of the camp where they are posted.

Therefore, I stress that point, and I would like the minister to tell us in his remarks what he intends to do to improve the lot of those honest workers who are forced to work hard without reasonable pay.

Tonight, I wanted to point out that anomaly to the house. I know it is very important during the examination of the estimates of the Department of National Defence to talk about missiles, threats of nuclear warfare and all those troubling things we read about in the newspapers every day, but it is also important, I think, to talk about the fate of those devoted servants of the Department of National Defence. They are often treated as slaves. I am also thinking of the rather sizeable estimates of the Department of National Defence, and of the extravagant expenditures on military hardware and nuclear testing, but I am convinced the government should consider first the situation of the Canadian citizens who suffer really inferior treatment and I should like the minister to intervene in order to remedy that anomalous situation.

(Text):

Mr. Drysdale: Mr. Chairman, I wonder whether it would be permissible to call it 10.30 or whether the committee would like me to proceed.

The Deputy Chairman: Is it agreed that we call it 10.30?

Some hon. Members: Agreed.

Progress reported.

BUSINESS OF THE HOUSE

Mr. McIlraith: I should like to ask the house leader what business will be laid before the house tomorrow and Thursday.

Mr. Churchill: Tomorrow we will start off with the estimates of the privy council, followed by the estimates of the Department of National Defence. That business carrying over until Thursday would be followed by the Department of Defence Production.

At 10.30 p.m. the house adjourned, without question put, pursuant to special order.

HOUSE OF COMMONS

Wednesday, September 13, 1961

The house met at 11 a.m.

STARRED QUESTIONS

SALE OF C.N.R. LOTS, MONTREAL

Question No. 454—**Mr. Valade:**

1. Has the C.N.R. sold the lots situated at the southeast corner of Sherbrooke and Viau streets in Montreal?

2. If so: (a) on what date? (b) to whom? (c) what is, in square feet, the area of the land sold? (d) for what price, per square foot? (e) who authorized such sale? (f) have other adjoining parcels of land been sold thereafter to the same or other persons? (g) what was the sale price in each case? (h) to whom were such subsequent sales made? (i) were such parcels of land sold through public tenders? If not, on what other basis? (j) have all these transactions been authorized by the C.N.R. board of directors?

Hon. Raymond O'Hurley (for the Minister of Transport): Mr. Speaker, the management of the Canadian National Railways advise as follows:

1. Yes.

2. (a) August 10, 1953. (b) Bernard Dupuis et al. (c) Two parcels totalling 150,000 square ft. (d) 45.4 and 33.3 cents; total $60,000 for both parcels as shown in the records of the registry office division for Montreal. (e) The sale was processed and recommended by the company's real estate department through its general manager in the usual manner and approved by the board of directors. (f) Yes. (g) and (h) Sale price $10,750 to Bernard Dupuis. Sale price $11,700 to Bernard Dupuis. Sale price $17,550 to Bernard Dupuis. Sale price $10,375 to Lucerne Motel Cie Ltee. Sale price $7,625 to Lucerne Motel Cie Ltee. Sale price $240,779.28 to Christie Brown & Co., Ltd. All deeds are registered. (i) No. Negotiated price based on commercial value. (j) See answer to (e).

C.B.C. CENTRES, MONTREAL-TORONTO-VANCOUVER

Question No. 455—**Mr. Taylor:**

1. Is the Canadian Broadcasting Corporation planning construction of a radio-television centre in the city of Montreal and in the city of Toronto?

2. If so, how much land is being purchased for the centres in Montreal and Toronto; and will such property be located in the downtown area or in the suburbs?

3. What is the market value of the property to be purchased in Montreal and Toronto?

4. What are the main requirements for locating a radio-television centre for C.B.C. operations?

5. Is the corporation planning to build a centre in Vancouver on its property on Georgia street or elsewhere in Vancouver?

6. What is the recommended acreage required for C.B.C. operations in Vancouver?

Mr. M. J. A. Lambert (Parliamentary Secretary to the Minister of National Revenue): This is a six part question, and I will answer accordingly. I am informed by the Canadian Broadcasting Corporation as follows:

1. Yes.

2. 33 acres of land have been purchased in suburban metropolitan Toronto. The area required for a Montreal consolidation site will be generally of the same order but precise areas cannot be determined until specific sites have been examined in detail.

3. The Toronto site was purchased for the sum of $635,000 serviced. No decision has been made as to Montreal.

4. Among other factors are:

(a) Acceptability from a technical standpoint.

(b) Sufficient area to permit the most economical construction of the known requirements together with provision for future developments.

(c) Accessibility by public and private transportation during the full operating day together with adequate parking facilities.

(d) Protection from present and future development which would be undesirable from a technical and administrative standpoint.

5. Consideration has been given to this in connection with the long range plans for development of the corporation.

6. When a decision is made the acreage will depend on the factors set out in No. 2 above.

FOREST FIREFIGHTING ASSISTANCE, NATIONAL DEFENCE

Question No. 456—**Mr. Fisher:**

1. Has the Minister of National Defence in the past two years made any public statement on his department's intentions with regard to providing military personnel with training at forest firefighting, and of the availability of such a forest fire force for emergency situations in the country?

2. If so, when and where?

3. How many men have been trained to take part in forest firefighting in the past two years?

4. What liaison and training facilities were developed with provincial forest firefighting services?

5. In the summer of 1961, how was such a military force deployed to meet the forest fire crisis in British Columbia, Manitoba, Ontario, and Newfoundland?

Starred Questions

Mr. Egan Chambers (Parliamentary Secretary to the Minister of National Defence):

1. No.

2. Not applicable.

3. 28,319 regular army soldiers received individual training in forest fire suppression during the past two years either during recruit training or during annual refresher training.

4. Approximately 485 officers and men participated in forest firefighting training conducted in conjunction with or by provincial forestry officials. This training took the form of liaison visits, reconnaissance or planning activities and attendance by army personnel at courses, lectures or demonstrations conducted by provincial officials.

5. British Columbia, no assistance was requested; Manitoba, 595 officers and men; Ontario, 14 officers and men; Newfoundland, 1,100 officers and men.

VOODOO PLANE—SERVICE COSTS

Question No. 457—**Mr. Fisher:**

1. What costs above the basic purchase price are involved in placing one of the Voodoo planes in service with the Royal Canadian Air Force?

2. If the specific costs cannot be released for security reasons, is it a fact that considerable modifications have to be carried out in Canada?

Mr. Egan Chambers (Parliamentary Secretary to the Minister of National Defence): Mr. Speaker, the answers to parts 1 and 2 are as follows. No Canadian modifications to the aircraft are foreseen. As of the date of delivery to the R.C.A.F., all outstanding modifications to each CF-101B aircraft engine and frame will have been incorporated.

C.N.R. PUBLICITY RELEASE

Question No. 458—**Mr. Fisher:**

1. Did the Canadian National Railways send out the following dispatch to any newspapers on July 19:

"JASPER PARK LODGE, Alta., July 19—Like, man, when the beats are next windin' up a jam session at your pad, why not give out with fodder that is really cool? Like an iceberg.

This way out number was dreamed up by the cookie at that big pad the CNR calls Jasper Park lodge. This Bill Schmidts is no square lad, dad. Like, he emotes with the mayonnaise.

So like, one day the lads who are with it in a far out way asked this Pastrami Picasso to put together a real cool number.

Now this cat was with it. He could dig. Like man, he took a piece of bread and sliced an onion on it. And then he sliced an orange on it. And then a slice of bread on top.

Like there you are. Dig? The guys who are in says its better than Bardot.

So be like the west, man. Get with it. Like, its crazy!"?

2. If so, what was the purpose of this dispatch, and to whom was it sent?

3. What does it mean?

[Mr. Fisher.]

Hon. Raymond O'Hurley (Acting Minister of Transport): The management of Canadian National Railways advise as follows:

1. Yes, this was one version released by a local representative of the public relations department.

2. A piece of lighhearted and nonsensical whimsy that attracts reader interest and is good publicity through contrast.

3. To "dig" the interpretation requires a humorous sense of the ridiculous, as delightfully illustrated by Mr. Richard Jackson in the Ottawa *Journal* of September 8.

UNEMPLOYMENT INSURANCE FUND

Question No. 459—**Mr. Robichaud:**

What was the amount to the credit of the unemployment insurance fund as of May 31, June 30, July 31, and August 31, 1961, as compared with similar dates for 1960?

Mr. Richard A. Bell (Parliamentary Secretary to the Minister of Finance): Mr. Speaker, the answer to this question is a brief statistical table which the house might consent to have printed in *Hansard* at this point without being read.

Mr. Speaker: Is it agreed?

Some hon. Members: Agreed.

[*Editor's note: the table above referred to follows.*]

	1960	1961
May 31	$299,293,511.04	$110,051,922.26
June 30	296,187,477.10	110,270,314.33
July 31	306,363,607.24	120,771,909.13
August 31	313,327,675.04	130,846,070.49 (Interim figure)

PROVINCIAL SALES TAX PAYMENTS BY CROWN COMPANIES

Question No. 460—**Mr. Benidickson:**

1. Which, if any, of the federal crown companies agree to the payment of sales taxes imposed by provincial governments on purchases made by such crown companies?

2. Does the Ontario hydro power commission and the liquor control board of Ontario submit to payment of the 11 per cent sales tax of the federal government with respect to purchases made by them?

Mr. Richard A. Bell (Parliamentary Secretary to the Minister of Finance): Could this question be made an order for return, Mr. Speaker?

Mr. Speaker: Order for return.

PERMITS FOR OATS IMPORT FROM U.S.

Question No. 461—**Mr. Benidickson:**

On what dates, and for what quantities, and at what prices if stipulated, were permits issued since May 1, 1961, by the Canadian wheat board for the import of oats from the United States of America?

Mr. W. H. Jorgenson (Parliamentary Secretary to the Minister of Agriculture): The answer is as follows. Permits issued by the wheat board for the import of oats from the United States are valid for a period of one month. There is no assurance that a permit issued to an importing firm will be filled in whole or in part. Since the release of details with respect to permits issued may imply a greater volume of imports than actually takes place, it is not considered in the public interest to reveal details which may not reflect actual import volumes and which might be detrimental to the board in its marketing operations in the commodity concerned. The import permits cover quantities only and do not stipulate prices.

CHAMPLAIN BRIDGE, MONTREAL—PLANS

Question No. 462—**Mr. Lessard:**

1. Have the plans of the approaches to the Champlain bridge in Montreal been altered?
2. If so, could the minister tell the house at whose request such plans were altered, and give the nature of the changes and the approximate date when these changes will be made public?

Hon. Raymond O'Hurley (Acting Minister of Transport): The answers are as follows:

1. The plans for the northern approaches to the Champlain bridge are in the process of being altered.

2. Such modifications are being made at the instance of the joint national harbours board-city of Montreal committee, and it is not in the public interest to divulge details of the changes until expropriation proceedings have been completed.

REPRESENTATIONS FROM INTERNATIONAL MONETARY FUND

Question No. 463—**Mr. Matheson:**

1. Has the government received any representation from the international monetary fund relative to the government's policy with regard to devaluation of the Canadian dollar?
2. If so, what is the nature of such representation?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, the information I have is that no such representation was received.

ADDITIONAL WHEAT PURCHASES BY CHINA

Question No. 464—**Mr. Benidickson:**

1. Has China agreed to purchase additional quantities of wheat since the last report by the Minister of Agriculture to the house?
2. If so, what are the particulars, and was it indicated to the wheat board that some of such purchases would be diverted and shipped to East Germany to cover sales under a trade agreement between China and East Germany?

Mr. W. H. Jorgenson (Parliamentary Secretary to the Minister of Agriculture): The answers are as follows:

1. Yes.

2. The Canadian wheat board concluded a further sale of wheat to China under the long term agreement negotiated last April. The new sale involved approximately six million bushels of wheat for clearance from St. Lawrence ports during August and September. No indication has been received to date by the Canadian wheat board that the wheat involved in this contract would be diverted to East Germany.

SECTION 96A(2), INDIAN ACT—PROCLAMATION

Question No. 465—**Mr. Howard:**

1. Since November 1, 1960, has any Indian band in British Columbia submitted a resolution to the Minister of Citizenship and Immigration asking that section 96A(2) of the Indian Act be proclaimed to be in force?
2. If so, what is the name of each such band, the date of each such resolution, and the present status thereof?

Hon. Ellen L. Fairclough (Minister of Citizenship and Immigration): Mr. Speaker, there are some 37 bands in British Columbia that have submitted resolutions which are in various stages of processing at the moment which makes it difficult to give an oral answer. I could give full details on this matter if this question could be made an order for return.

Mr. Speaker: Order for return.

FIREFIGHTING ASSISTANCE BY ARMED SERVICES, N.S.

Question No. 466—**Mr. Pickersgill:**

1. Did the Department of National Defence and the armed forces provide assistance to the government of Nova Scotia in fighting forest fires in 1960?
2. If so, was any financial charge made for such assistance, and on what basis, and in what amount?

Mr. Egan Chambers (Parliamentary Secretary to the Minister of National Defence):

1. Yes.

2. The Department of National Defence is seeking reimbursement for out of pocket expenses amounting to $60,102.33 relating to the assistance rendered by 410 officers and men of the armed services for fighting forest fires in the Sherbourne area of Nova Scotia during the period of September 3 to September 21, 1960.

TELEVISION SERVICE, MADAWASKA AND VICTORIA COUNTIES, N.B.

Question No. 467—**Mr. Robichaud:**

1. Has the board of broadcast governors heard representations from station CJBR-TV Rimouski applying for permission to erect a satellite or a rebroadcasting station to provide television service to the population of northwestern New Brunswick, and particularly to the counties of Madawaska and Victoria?
2. If so: (a) on what date or dates did such a hearing take place? (b) what was the nature of

the decision reached by the board of broadcast governors? (c) was the decision made public, and on what date?

Mr. M. J. A. Lambert (Parliamentary Secretary to the Minister of National Revenue):

1. Yes.

2 (a). The board heard two applications from CJBR-TV, the first at its public hearing on September 26, 1960, and the second at its public hearing on February 24, 1961.

2 (b). The board recommended that the application heard on September 26, 1960, be deferred and the second application which provided for increased power for the proposed rebroadcasting station, which was heard on February 24, 1961, be approved since, in the opinion of the board, the proposed station will provide a satisfactory French language service to the French speaking population of Madawaska county.

2 (c). The first recommendation was made public in the board's public announcement dated October 5, 1960, and the second in the board's public announcement dated March 3, 1961.

QUESTIONS PASSED AS ORDERS FOR RETURNS

PROVINCIAL SALES TAX PAYMENTS BY CROWN COMPANIES

Question No. 460—**Mr. Benidickson:**

1. Which, if any, of the federal crown companies agree to the payment of sales taxes imposed by provincial governments on purchases made by such crown companies?
2. Does the Ontario hydro power commission and the liquor control board of Ontario submit to payment of the 11 per cent sales tax of the federal government with respect to purchases made by them?

SECTION 96A (2), INDIAN ACT—PROCLAMATION

Question No. 465—**Mr. Howard:**

1. Since November 1, 1960, has any Indian band in British Columbia submitted a resolution to the Minister of Citizenship and Immigration asking that section 96A(2) of the Indian Act be proclaimed to be in force?
2. If so, what is the name of each such band, the date of each such resolution, and the present status thereof?

MOTIONS FOR PAPERS

SAINT JOHN RIVER BOARD REPORT

Motion No. 158—**Mr. Robichaud:**

For a copy of the report of the Saint John river board on the effects of storage on power generation in New Brunswick.

Hon. W. G. Dinsdale (Minister of Northern Affairs and National Resources): Mr. Speaker, I have discussed this motion with the hon. member and assured him of the information he is seeking. I believe he is agreeable to dropping the motion.

[Mr. Robichaud.]

Mr. Speaker: Dropped.

Order discharged and motion dropped.

TELEVISION SERVICE, MADAWASKA AND VICTORIA COUNTIES, N.B.

Motion No. 159—**Mr. Robichaud:**

For a copy of all correspondence, telegrams, and other documents exchanged between the board of broadcast governors or the Department of Transport or the Minister of National Revenue and all other persons concerning the granting of a licence for a television satellite or a rebroadcasting station to provide television service to the French-speaking population of Madawaska and Victoria counties in New Brunswick.

Hon. George C. Nowlan (Minister of National Revenue): Mr. Speaker, I have discussed this matter with the hon. member and we have agreed on a beginning date of January 1, 1960 rather than the indefinite period to which the motion applies now. I would ask, therefore, that it be made an order for return, as it covers the various governmental and departmental agencies.

Mr. Speaker: Is it agreed that the motion shall be converted to an order for return, with the date indicated by the minister?

Some hon. Members: Agreed.

UNITED NATIONS

CONGO—REPORTED CONFLICT IN KATANGA

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): I should like to ask the Prime Minister a question, notice of which I gave to the Secretary of State for External Affairs who is unavoidably detained, and which arises out of a report on the radio this morning of fighting in the Congo between UN forces, in which Canada is represented, and the Katanga provincial forces. Perhaps the Prime Minister would care to take this question as notice.

My question is whether the government has any comment to make on these reports, and particularly under what authority from the United Nations are United Nations forces empowered to use armed force in a situation of this kind.

Right Hon. J. G. Diefenbaker (Prime Minister): As the hon. gentleman has suggested, it would be better to take this question as notice, and I shall so do.

[*Later:*]

Mr. Diefenbaker: Mr. Speaker, a moment ago the Leader of the Opposition mentioned that he had given notice of a question dealing with the situation in the Congo. The Secretary of State for External Affairs received that notice this morning.

Mr. McIlraith: He is right behind the Prime Minister.

Mr. Diefenbaker: Mr. Speaker, there is a famous historical analogy, "Give me night or give me Blucher".

Mr. Pearson: May I thank the Prime Minister for implementing his statement of the other day, namely that he never gets in the way of ministers.

Hon. Howard C. Green (Secretary of State for External Affairs): Mr. Speaker, it is quite obvious that my interview with the foreign minister of Iceland did not last long enough.

It has been evident for several days now that a very tense situation was building up in Katanga, with the prospect that the United Nations might have to take firm measures to forestall the outbreak of large scale violence. While we do not yet have official reports on the latest developments, it would appear that the UN command now has moved to bring and keep the situation under control.

As hon. members are aware, there has been acute political tension in the Congo over the question of reintegrating the province of Katanga into the republic. One aspect of the resistance by some Katanga political leaders against a reconciliation with the central government appears to have been the revival of intertribal conflict in Katanga where, as the house will recall, there were heavy casualties in tribal clashes before the UN forces became established in that area.

One of the principal obligations imposed upon the United Nations command by the security council resolution of last February 21 was "to prevent the occurrence of civil war" in the Congo, and this was to include the prevention of armed clashes. The resolution specified that the measures which the United Nations might take in pursuit of this prime objective of preventing civil conflict should include the use of force "if necessary, in the last resort".

It is evidently the assessment of the United Nations authorities concerned that the situation in Katanga has now deteriorated to the point where strong measures offer the best likelihood of averting much more serious violence. Undoubtedly this decision is closely related to the recent reports that many thousands of Baluba tribesmen have sought United Nation protection in the face of reviving intertribal fighting. It is our earnest hope that by the present measures the United Nations will succeed in heading off more widespread trouble.

As far as we are aware, no Canadian personnel in the Congo have been involved in the current clashes in Katanga. There is one Canadian liaison officer with the UN units in Elizabethville. We expect to be having reports, of course, and when they are available I shall be very glad to inform the house.

LABOUR CONDITIONS

RECRUITMENT OF CANADIANS FOR U.K. GROCERY CHAIN

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): I should like to direct a question to the Minister of Labour. In view of the story in this morning's *Globe and Mail* headed "500 Young Zip-Zip Canadians Wanted by Loblaw for U.K. Jobs", and in view of the fact that Mr. George C. Metcalf, president of Loblaw Groceterias Company Limited is a member of the national productivity council, does this advertisement reflect proposals of the national productivity council toward the lessening of unemployment in Canada?

Hon. Michael Starr (Minister of Labour): I read in the newspaper this morning the article indicating that Loblaw Groceterias Company Limited were advertising for 500 Canadians for jobs in their stores in Great Britain.

I immediately got in touch with Mr. George C. Metcalf of the Loblaw company, who informed me that the only reason for this recruitment of Canadians is that this company is in the process of opening up 40 new stores in Great Britain in the immediate future. This company finds that there is a great lack of experience in the supermarket business in Great Britain. Consequently they are unable to recruit the type of help to which they are accustomed in the efficient operation of their stores. Their experience is that Canadians have been exposed to the supermarkets in Canada for a great many years and are easily integrated into that type of business.

I am also informed that Mr. Weston, who prides himself on being a Canadian and who knows Canadian characteristics, is anxious to have Canadians man these stores, in order to carry on an efficient business in Great Britain.

In view of this consideration, Mr. Speaker, the hon. member who asked the question is putting a wrong interpretation on the whole situation.

Hon. Paul Martin (Essex East): May I ask a supplementary question, Mr. Speaker. Is the minister not aware that attempts were made by that company in the United Kingdom to obtain United Kingdom help, but that because of the small amount of unemployment there the effort was unsuccessful?

Inquiries of the Ministry

Mr. Starr: Mr. Speaker, the hon. member for Essex East usually gets his information from the wrong sources. I have given the house the true picture of the situation.

TRADE

VISIT OF RED CHINESE MISSION TO CANADA

On the orders of the day:

Mr. G. J. McIlraith (Ottawa West): Mr. Speaker, in the absence of the Minister of Trade and Commerce I should like to direct a question to the acting minister. Is it true, as reported, that a delegation from the government of communist China is coming to Canada to meet with the department, and if so, when is the meeting taking place and what are the subjects to be discussed?

Hon. Gordon Churchill (Acting Minister of Trade and Commerce): I shall have to take the question as notice.

URANIUM—INQUIRY AS TO NEGOTIATIONS WITH UNITED KINGDOM

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, may I ask the Acting Minister of Trade and Commerce whether the Minister of Trade and Commerce, while he is abroad, expects to be in London. If so, will he impress on the United Kingdom government while there the necessity of bringing to an early conclusion the arrangements arising out of the uranium contract?

Hon. Gordon Churchill (Acting Minister of Trade and Commerce): Mr. Speaker, I expect, while the minister is abroad, that he will be dealing with all matters of urgent importance affecting Canada's trade.

EXTERNAL AFFAIRS

JAPAN—ANNOUNCEMENT OF VISIT BY PRIME MINISTER

On the orders of the day:

Mr. Frank McGee (York-Scarborough): Mr. Speaker, I wonder whether I could ask the Prime Minister whether he has any further information concerning his proposed trip to Japan.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, an announcement was made yesterday in Tokyo to the effect that, following two invitations given to me to visit Japan, one by Prime Minister Kishi and the other by Prime Minister Ikeda, to which reference was made in the communique issued on the occasion of the visit of Mr. Ikeda, I had accepted.

These plans were made some time ago. The acceptance has been given. I point out to the house that this of course is subject to intervening events. My visit will cover the last five days of October. We have tremendous trade relations with Japan and in the matter of world events concerning freedom Japan occupies a prominent place.

The last visit by a Canadian prime minister was by Mr. St. Laurent in 1954, and it brought benefits to Canada. I have found, and I think this view is generally shared by the leaders of the various countries, that these visits have a pronounced beneficial effect and are necessary. I know that if there is nothing during the intervening period which prevents my visiting there for that number of days, my visit will not only repay the visits made to this country but will strengthen our relationship with Japan and also lead, as Prime Minister Ikeda has said, to an extension of our trade relations.

DOMINION-PROVINCIAL CONFERENCE

INQUIRY AS TO MEETING TO AMEND CONSTITUTION

On the orders of the day:

Hon. Paul Martin (Essex East): Mr. Speaker, may I ask the Minister of Justice if, now that the constitutional conference has concluded, he proposes to report to the house on the conclusions reached, particularly in the light of the published contradictory reports as to the results of the conference?

Hon. E. D. Fulton (Minister of Justice): Mr. Speaker, I am not aware of any published contradictory reports with regard to the conference.

Mr. Martin (Essex East): They were given in the *Globe and Mail* of this morning.

Mr. Fulton: The conference of attorneys general reached a very encouraging degree of agreement on the outstanding problems between us. As was stated in the official communique issued at the end of the meeting, most of the discussion concerned the question of a formula for the delegation of power as between the dominion parliament and provincial legislatures. This was the main point upon which agreement had not been reached in earlier discussions. Most of our discussions in the last two days were devoted to trying to arrive at agreement in principle on this matter. In this we were largely successful.

The position now is that the draftsmen assisting us have been instructed to prepare a final draft of all the proposals which have been discussed and upon which agreement has been reached. When that is done it will be placed in final form before the attorneys general for submission to and consideration by their governments. It is the hope that the

governments will find it possible to accept this as a basis for proposals to lay before their respective legislatures.

If that should be the case, then the work of the attorneys general conference is concluded. If, however, differences of substance emerge in the course of consideration by governments it may be necessary to reconvene the attorneys general conference in a further effort to reconcile points of difference.

I would also advise the house that at the time the final draft is placed in the hands of the attorneys general for them in turn to place before their governments, the text of our recommendation will be made public.

POWER

PEACE RIVER—INQUIRY AS TO FEDERAL ACTION TO BLOCK DEVELOPMENT

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to direct a question to the Minister of Justice. I apologize for not giving him notice, but this was caused by my attention being directed to other matters related to my heavy responsibilities.

My question arises because a group of us watched the minister's participation in "Close-Up" last evening. Is the government giving consideration to blocking the development of the Peace river by the government of British Columbia by the use of the Navigable Waters Protection Act or any other federal statute?

Hon. E. D. Fulton (Minister of Justice): Mr. Speaker, the answer is that this government is giving consideration to all measures which would bring about a logical, orderly and sensible development of the power potential of British Columbia, which of course means that the Columbia river development should be started first.

TELEVISION

RIMOUSKI—APPLICATION FOR SATELLITE STATION

On the orders of the day:

Mr. H. J. Robichaud (Gloucester): Mr. Speaker, I wish to direct a question to the Minister of National Revenue. Can the minister advise the house whether the government has accepted the recommendation of the board of broadcast governors approving the application of station CJBR-TV, Rimouski, for the erection of a satellite station to serve Madawaska and Victoria counties?

Hon. George C. Nowlan (Minister of National Revenue): Mr. Speaker, a large number of recommendations have been processed and dealt with by the board at its recent hearings.

I am not certain of the identity of these various matters. I shall have to check and answer at a later date.

TORONTO—REPORTED TRANSFER TO U.S. OF INTEREST IN PRIVATE STATION

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): May I ask the Minister of National Revenue a question arising out of the answer he gave yesterday to an earlier question of mine about the private television station in Toronto. Has the minister drawn—and if not, will he draw—to the attention of the broadcast governors the fact that the transfer of a substantial ownership in this station to the American Broadcasting Company would be contrary to the sentiments expressed in this house at the time the Broadcasting Act was passed, and would certainly not be in the national interest?

Hon. George C. Nowlan (Minister of National Revenue): I am sure the members of the board of broadcast governors read *Hansard*, and they will notice the remarks made by the hon. member, which I suspect may express the sentiments of this house; but it is not the responsibility of the minister to convey any instructions as such to the board.

NORTHERN AFFAIRS

CANADIAN MARCONI COMPANY—LETTER RESPECTING NON-FRATERNIZATION

On the orders of the day:

Mr. Frank Howard (Skeena): Mr. Speaker, I wish to direct the question to the Minister of Northern Affairs and National Resources based on a question I posed to him on June 26, as reported on page 7035 of *Hansard* relating to certain correspondence between himself and the Canadian Marconi Company. At that time the minister indicated that the correspondence was current, which prevented him from tabling it. Could the minister bring the house up to date as to the state of the correspondence, and advise whether he is in a position to table it?

Hon W. G. Dinsdale (Minister of Northern Affairs and National Resources): Mr. Speaker, I shall investigate that matter and bring in a report for the hon. member.

PUBLICATIONS

ROYAL COMMISSION REPORT—ACTION TO IMPLEMENT RECOMMENDATIONS

On the orders of the day:

Miss Judy V. LaMarsh (Niagara Falls): Mr. Speaker, I wish to pose a question to the Prime Minister. Is the Prime Minister as yet

in a position to advise the house what action if any is to be taken by the government to implement the recommendations of the royal commission on the publications?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, as I have said on previous occasions, when the government is in a position to do so, it will advise and inform the house.

FINANCE

INTERNATIONAL MONETARY FUND—REPORTED RECOMMENDATION

On the orders of the day:

Mr. John R. Matheson (Leeds): Mr. Speaker, may I direct a question to the parliamentary secretary to the Minister of Finance. On July 22, 1961 the Ottawa *Citizen* carried a story called "Canada Urged to Peg Dollar" the first sentence of which reads:

> Canada was advised by the international monetary fund today to return her dollar to a pegged exchange rate but informants said Canada gave no firm indication she would accept the advice—

Some hon. Members: Order.

Mr. Speaker: Order. Perhaps the hon. member has laid sufficient foundation for his question.

Mr. Matheson: Mr. Speaker, my question is this. Is there any truth in the story carried in the Ottawa *Citizen* of July 22, 1961?

Mr. Speaker: It has not been the practice to ask the simple question, can the minister advise whether or not the newspaper report is true.

Mr. Fulton: Especially one of last July.

Mr. Speaker: Yes, as pointed out by the Minister of Justice, the matter is not one of urgency and, furthermore, was the subject of a question which was dealt with this morning.

Mr. G. J. McIlraith (Ottawa West): Mr. Speaker, may I ask a supplementary question?

Mr. Speaker: The hon. member may ask a question, but not a supplementary.

Mr. McIlraith: Mr. Speaker, you are quite correct in checking me on the use of that phraseology in my question. My question is this. In view of the apparent conflict between the answer given by the parliamentary secretary to questions today and an earlier announcement of July 22 on the same subject, would the parliamentary secretary look into the matter and bring forward a statement on the situation?

Mr. Richard A. Bell (Parliamentary Secretary to the Minister of Finance): Mr. Speaker, if the hon. gentleman will examine *Hansard* of September 7 at page 8057 he will find an answer of the Minister of Finance which deals with the matter in full detail.

INDUSTRY

SHIPBUILDING—ASSISTANCE IN CONSTRUCTION OF SMALL VESSELS

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I should like to put a question to the Minister of Fisheries and ask whether, in the light of the statement by the Minister of Transport some time ago that the assistance for ship construction would include assistance for small fishing vessels, any other fishing vessels are included in this assistance except 75 foot steel trawlers. If so, what they are?

Hon. J. A. MacLean (Minister of Fisheries): Mr. Speaker, if the hon. member studies the regulations that have been printed he will find that the definition of ships which qualify for assistance is those that are used in some commercial enterprise, which would include fishing. In addition there is a subsidy for certain classes of fishing vessels, which is administered by the Department of Fisheries.

Mr. Pickersgill: Mr. Speaker, I wish to ask a supplementary question for clarification. Would the minister indicate whether there is in fact any new or additional assistance for any kind of fishing vessel except steel trawlers 75 feet and over?

Mr. MacLean (Queens): Yes, Mr. Speaker. The types of fishing vessels which come within the regulations published by the Department of Transport. The fact that they are fishing vessels will not exclude them from the general terms.

BROADCASTING

TATAMAGOUCHE, N.S.—APPLICATION FOR NEW STATION

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I should like to ask the Minister of National Revenue if he could say whether the board of broadcast governors has received and, if so, whether it has considered an application to establish a new radio station at Tatamagouche, Nova Scotia by the Colchester Broadcasting Company. If so, what disposition has been made on such application?

Hon. George C. Nowlan (Minister of National Revenue): I am not in a position to give a full answer, Mr. Speaker. My impression is that that application was considered within the last few days, but I shall have to check to be positive of it.

NUCLEAR ENERGY

INQUIRY AS TO FALL-OUT RESULTING FROM RECENT TESTS

On the orders of the day:

Hon. Paul Martin (Essex East): Mr. Speaker, I wish to direct a question to the Minister of National Health and Welfare. My question is based on his recent statement concerning fall-out levels resulting from recent nuclear test explosions. Can the minister say whether the calculations he gave to the house yesterday included the fall-out levels from the last two Soviet union explosions, one of which at least was of greater magnitude than any of its predecessors?

Hon. J. W. Monteith (Minister of National Health and Welfare): Mr. Speaker, to the best of my knowledge they did not.

COMMONWEALTH CONFERENCE

INQUIRY AS TO PERSONNEL OF CANADIAN DELEGATION

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, I wonder if I could ask the Acting Minister of Finance whether he is in a position to inform the house of the personnel of the Canadian delegation of officials that will be meeting with other commonwealth government officials in London in the next week or so to discuss problems arising out of the United Kingdom application to join the European common market.

Hon. George C. Nowlan (Acting Minister of Finance): I will take that as notice.

SUPPLY

The house in committee of supply, Mr. Chown in the chair.

PRIVY COUNCIL

312. Payment, notwithstanding anything in the Financial Administration Act or the Senate and House of Commons Act respecting the independence of parliament, to each member of the Queen's privy council for Canada who is a minister for whom no salary or allowance in addition to the allowances under section 33 and section 44 of the Senate and House of Commons Act is provided (the acceptance of which shall not render such member ineligible or disqualify him as a member of the House of Commons) of a salary of $7,500 per annum and pro rata for any period less than a year, $7,500.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Chairman, the one item with which I will deal at this moment will be the emergency measures and the organization in general, in order to place before the committee some indication of the measures that have been taken for survival. I take it that this will provide the committee with an opportunity to hear the views of various members regarding this matter. I trust that after discussion general support will be given to the measures and plans which have been evolved and are in effect.

The committee started with a consideration of external affairs and proceeded to a general discussion of the problem of defence. As indicated by me the other day, I hoped for an early opportunity to place before the committee something of the views of the government in the application of the principles of survival as developed by co-operation among federal, provincial, and municipal authorities.

On September 7, the Minister of National Defence and I made statements to the house regarding decisions that had been made on certain emergency preparations in the defence field. At that time I indicated that I would make a more comprehensive statement on emergency measures. I am not going to repeat any of the matters or deal with the questions that were dealt with earlier, except to say that the progress made by the Department of National Defence in respect of the order in council for emergency planning passed in 1959 which has resulted in the formulation of plans that can be brought rapidly into action at a time of crisis is in the opinion of the government confirmation of the wisdom of the decision that was made to assign to the Department of National Defence certain major responsibilities in the emergency planning field.

The statement made by the Minister of National Defence on September 7 dealt more particularly with the national survival role of that department. I wish at this time to say something further with respect to other aspects of emergency planning as they affect the public in general.

Two matters are very much in the minds of the Canadian people at the moment. One is that at a time of stress and difficulty, with the ever-increasing threats made by Mr. Khrushchev and the increasing number of explosions of larger and larger instruments of destruction, the people are asking what are the possibilities of evacuation or dispersal of residents of larger urban centres, and in particular those that are probable target areas. The other question is the matter of individual shelter, what can be done to provide helpful and meaningful action to reduce the number of persons who would die in any area should such an event take place, and in particular in large cities.

Some say that action in this regard will be ineffective. That is not the point of view of those who know and have given study to this matter not only in our country but in the United Kingdom, the United States and other

countries. Indeed, without going into detail at the moment, may I say this. According to the recent announcement of the President of the United States on this important matter, a number of those things which we in Canada had adopted earlier have been accepted now in that country as important steps toward survival. A certain degree of voluntary evacuation is certain to take place and we believe that all cities should have in hand plans to assist in controlling those movements. A corollary, of course, is the planning of suitable reception preparations for those who would need them following their evacuation from their homes.

The other consideration, as I mentioned, is the provision of shelter. A distinction must be made between shelter against the blast and fire effects of nuclear weapons and shelter designed to protect against radioactive fall-out. The former type of shelter has much significance to residents of larger cities which might be the object of direct attack. For the majority of the Canadian people, however, protection against fall-out is much more significant and necessary, since it is the peril which is most likely to affect them. Even in the larger cities, if they are spared direct attack so that blast effects do not arise, fall-out shelters are of importance.

The government has given attention to many of the problems that arise with respect to fall-out. Target cities in arranging their survival plans must give and are giving attention to the positive steps they can take in the direction of both evacuation and shelter, and these plans will vary according to the different circumstances in existence from city to city.

The problem of appropriate types of shelter for Canadians in the varying circumstances is a complex one. Some live in private homes; others live in apartments, and there are considerable numbers in institutions of various kinds. It is felt that in addition to the information concerning shelters which offer a degree of protection and shelters suitable for occupancy for up to 14 days, consideration should be given to adaptations which would provide the same degree of protection at less cost. We should also suggest improvised types of protection suitable for shorter use, and makeshift arrangements where the protection offered is admittedly lower than might be considered reasonable but which will nevertheless give a degree of protection for short periods at least.

In this field of shelters, tenders have been called for construction at the Canadian civil defence college at Arnprior of a variety of prototype shelters. Some of these are designed for single families. Others will take groups of families or other persons totalling as many as 30 occupants. Some will be blast resistant and some are designed to protect against fall-out only. These prototypes will serve for instruction and display, and will make possible investigation of living conditions in them, and, of course, they will be available for use in an emergency.

In addition to shelters in homes and other places of residence, it has been recognized that many larger buildings offer a good deal of potential fall-out protection. With modest preparations possibly involving relatively small costs, fall-out protection can be secured in such buildings for countless thousands of people. With a view to ascertaining which buildings have such possibilities and what their capacity may be, the government in the spring of 1961 authorized suitable surveys. The Department of Public Works proceeded with the work and has completed surveys of all federal buildings with a view to determining the amount of fall-out protection in them.

Members may be interested to learn that new techniques have been developed which enable the Department of Public Works to make these surveys quickly. I refer to the use of special cameras to determine the nature and character of the construction of buildings and the use of electronic computers to speed the securing of early results. This latter procedure came about through co-operation given by the Ontario department of highways, to whom the thanks of the government are extended. This is the type of survey now to be initiated in the United States. I understand that the Canadian methods have been reviewed favourably there and may be adapted for use in the survey recently announced in that country.

Some 4,820 buildings in Canada have been checked, and the Department of Public Works is now engaged in determining those that have adequate fall-out protection, those that can be improved to provide such protection, and others that cannot be thus improved due to the excessive costs involved. These surveys and their results will be available to the planners concerned shortly, and it will then be possible to determine how much of such accommodation could be made available to the public.

A new technical manual entitled "An Engineer Looks at Fall-out Shelter" has just been printed. It is designed for use by engineers and architects who will be responsible for carrying out surveys of existing fall-out protection in buildings and the possible incorporation of protective measures against fall-out in new buildings. These manuals are now being distributed and

should be invaluable to provinces and municipalities in undertaking their fall-out shelter surveys generally throughout the country.

In planning for the survival of our people, accurate public information is of vital importance, and during the past two years the government has authorized the publication of a series of pamphlets under the general name "Blueprint for Survival". These have included such booklets as "Your Basement Fall-out Shelter", "Fall-out on the Farm" and, more recently, "Eleven Steps to Survival". These pamphlets have been very much in demand, and as a result of the present international situation there has been a very large increase in requests in the last few weeks. More than a million copies of the publication "Eleven Steps To Survival" were printed up to July of this year, but it has become necessary to arrange for another large printing which is now in hand. This is indicative of the attitude and the feeling of Canadians as a whole. It is felt that publications which relate to the protection of the people under the possible perils of nuclear war deserve top priority in view of the widespread demand for full and up to the minute information.

Furthermore, there are other media of public information that will be used both nationally and locally, including the press, television and radio. The C.B.C. has been charged with the responsibility of developing an emergency radio broadcasting plan whereby adequate information can be made available to the public in the event of nuclear war even if normal broadcasting facilities are disrupted. C.B.C. studios are directly connected with army warning centres, and are capable of transmitting vital information to the public should the need arise.

In so far as a national exercise is concerned, the announcement was made recently that there will be another national exercise to test emergency plans. The last one was held in May, 1961, and served to inform the public of the plans that have been developed nationally, provincially and municipally. The forthcoming exercise, which I think will take place in early November, will enable the various warning arrangements to be used. It will bring home to individual Canadians and to the various levels of government their responsibilities and will enable an exploration of what can be done to meet the potential dangers. In short, the aim of such an exercise is to check the readiness of this country to meet the actual challenge of war if perchance that challenge should confront us.

The planning and preparations made by provinces and municipalities are important and cannot be overemphasized. I might refer to the financial assistance program of the federal government, which recognizes that planning of this sort is most significant as it gets nearer and nearer the people affected. That is why local planning is of such great importance. While the federal government can develop broad measures for Canada as a whole, and the provinces likewise within their respective boundaries, planning in detail can only be done at the local level. Hence the case for support and assistance in the costs that will be involved.

For some years the federal government has provided such financial support in respect of personnel and administration costs, supplies and equipment, training and all the other items that arise in the course of local planning. Included are communications equipment, construction costs for local emergency government headquarters, payment of fees for first aid training, purchase of protective clothing for volunteers and other emergency personnel, rescue equipment, vehicles, cost of local training exercises and publication of local survival plans including material on evacuation and shelter such as has been done by some of the larger cities. These costs are supported on approval to the extent of 75 per cent and when I say that these costs are supported I mean that they are supported from federal sources.

The federal government has provided $4,350,000 for this financial assistance program during the current fiscal year. To date projects totalling $3.5 million have been approved, of which the federal share exceeds $2.5 million, and a further volume of projects of an approximate value of $1.5 million is now being reviewed. It would appear that eventually more than $5 million in provincial and municipal projects will have been submitted this year, of which the federal government will pay some $3,700,000. This program of financial assistance has been generally admitted by the provinces to have been extremely helpful in provincial and local emergency planning.

In order that municipalities should have a degree of guidance in developing their local emergency plans, several significant steps have been taken by the federal government including the distribution of a publication "A Survival Planning Guide for Municipalities" and the provision of courses for mayors, reeves and councillors, as well as courses for municipal officials. This feature has been widely accepted by municipal officials.

I might point out that at the conference for mayors, reeves and wardens held in May at the Canadian civil defence college, some 69 attended. There were 64 present in October, 1960 at the Canadian civil defence college conference in respect to the provinces of Prince Edward Island, New Brunswick, Nova

Scotia and Newfoundland. At the conference in Edmonton from November 4 to 7, 1960 for the three prairie provinces, British Columbia, Northwest Territories and the Yukon, 56 attended. A further course took place in Ontario from November 6 to 10, 1960 at the Canadian civil defence college, and 81 attended. There were further courses in March and June this year for the maritime area and also for the western area. In all, these courses were attended by some 414 mayors, reeves and wardens.

The foregoing measures are largely concerned with survival. There is a related and important aspect of emergency planning, and that is the continuity of government. This is being provided for in all NATO countries to assure that there shall be such continuity in the event that war comes. This continuity of government is being provided for, so far as it is possible to do so, for all levels of government. If people are to survive they will need leadership, not only national but provincial as well as municipal. The government has authorized the construction of emergency headquarters in each of the provinces to provide facilities for governmental operations in wartime.

Since permanent emergency headquarters will not be completed for some months, it has been found desirable to make available immediately interim emergency headquarters. These will have the necessary communications to ensure that operations can be carried on. Arrangements are in effect with regard to the provision of central facilities for the federal government. Similar facilities are now being provided in the provinces designed for use by a nucleus of federal public servants in each province and by various elements of the provincial government and its officials, and by the Canadian army. These regional headquarters are protected against radioactive fallout but are not provided with protection against blast effect. The headquarters are not in the so-called target areas.

This is an aspect to which reference is made from time to time. It is one of those things that are absolutely necessary. It was found to be necessary in the days of the last war when the probabilities of complete disruption of government by the destruction of capital cities was far less direct and fearsome than it is today.

With regard to other aspects of emergency measures, I should like to refer to the fields of transportation, meteorology and defence production, as well as health and hospitalization. In the field of transportation we have provided for the establishment of an emergency organization for the control of all types of transport, inland, coastal, water, civil aviation, and road. The Department of Transport is working in close relationship with all agencies involved. Qualified individuals have been and are being selected to serve on emergency transport organizations. Plans have been made for the control and administration in wartime of the whole civil and national telecommunications system to ensure the best possible use of communications that survive attack, and the identification of alternate routes where existing systems have been disrupted or destroyed.

Provision is being made for the continuation of meterological services across Canada, for they are vital from many points of view, not the least of which is the assessment of fall-out patterns.

The Department of Defence Production has planned the organization of a war supplies agency which will be responsible in wartime for the control, production and distribution of all supplies and the establishment of rationing and price controls if required. Individuals are being selected to serve on the war supplies agency in wartime, and studies are being made of the need for the stockpiling in peacetime of certain supplies to be located so as to be readily available for use by the population. The department has already achieved a certain capability to operate such an agency, both nationally and regionally, and has a well developed plan for a system of damage analysis in order to be able to calculate immediately what supplies remain after attack and from this to determine their best use.

Now I come to the question of health. The Department of National Health and Welfare is responsible for arranging and stockpiling essential medical items. This has now reached a cost of $9 million, with supplies placed at strategic points throughout the country. In many cases they have been redistributed and so located as to be available to provincial health services. Eventually this program will cost $18 million. Arrangements have been made to have available 200 emergency hospitals with total accommodation for 40,000 patients. These emergency hospitals can be set up on short notice, thereby adding greatly to the national capacity for taking care of the victims of a nuclear war. All nursing schools in Canada and six of the 12 medical schools have introduced into their curricula a study of emergency nursing and health procedure. Through the co-operation of the St. John's Ambulance and Red Cross, tens of thousands of men and women have been trained in first aid and home nursing procedures. It has been estimated that some 50 per cent of all hospitals in Canada now have disaster plans.

These are examples of the work of particular departments and agencies. Others are doing comparable work. A case in point is the planning by the Royal Canadian Mounted Police which will help support the efforts of the various attorneys general in maintaining law and order.

With a view to providing the necessary authority for control of all these areas of emergency action, special orders and regulations will have to be available for use in wartime. The federal departments concerned have already submitted proposals for the orders, and these are now being assessed with a view to assuring their adequacy and also to prevent duplication.

There are additional measures in a number of fields that are being studied, such as the following:

1. The authorization for the emergency measures organization, through the C.B.C. and otherwise to arrange appropriate notices to draw public attention to shelter and other survival measures such as those set forth in the pamphlet "Eleven Steps to Survival".

2. Determination of the costs that will be involved in bringing selected federal buildings up to at least minimum standards of protection against fall-out and in providing essential facilities and supplies for survival of occupants under fall-out conditions.

3. Consideration of measures giving priority to target areas, which in the main include our larger cities, for increasing fall-out protection for those dwelling in private houses or apartment houses by making it possible for people to make use of government, privately owned, commercial and industrial buildings.

4. Arrangements for an early conference of federal and provincial ministers in the civil emergency planning field to review planning programs, training programs, financial aid measures and related matters.

5. Development by EMO of a pattern of decentralized units of emergency government on a zonal basis, each of these zones being smaller than regions, in order to provide the necessary backup to emergency arrangements for regional government and to ensure that survival programs are understood by the people concerned.

6. Consideration of measures to ensure the training of the great numbers of civilians required in rescue and radiation monitoring to be undertaken by federal, provincial and local authorities, this planning being additional to the army's current program in these fields.

I should stress that most of the items of planning to which I have made reference have been under way for some time but the present international situation has tended to emphasize their importance. Looking back to what has taken place since 1959, may I say this. The basic arrangement then made, assigning the main civil defence responsibilities to four departments of government, has worked out very well. As I said a moment ago, the arrangement announced within the last few weeks by President Kennedy with respect to civil emergency planning parallels in many respects the arrangement which we have brought into effect. The assignments now given to the secretary of defence in the United States in respect of survival planning are very much similar to those carried out here by the Department of National Defence in the fields of warning, radiological monitoring, emergency communications and damage assessment.

There is a significant difference in the responsibility for the development of the shelter program, which is placed in the privy council office through the emergency measures organization. The current stress given to shelter in the United States, particularly with respect to the use of surveys to determine the protective capacity of existing buildings, is similar to the work we have been doing throughout the year 1961.

The creation of the office of emergency planning in the United States, which will be charged in the main with the co-ordination of all civilian wartime planning and with the responsibility of developing useful measures for the continuity of government, has brought into existence an agency comparable to the emergency measures organization which we have here.

I think these points are worthy of emphasis, for they indicate that Canadian planning, while it was focused on Canada and the specific needs of the Canadian people, is not unrelated to planning in the United States and, I might add as well, among our NATO allies generally.

This, Mr. Chairman, is not the kind of report one would relish bringing before the house. It is, however, necessary. We realize that in our country and in the free world there hangs over us from day to day the cloud of successive test explosions by the U.S.S.R., threatening in their import and I only hope not prospective of their use in the days ahead. I know there are some who say, "Why do anything about it?" These are measures designed as insurance to the highest degree possible for the survival of Canadians. I pray that they will never be used.

When I read some of the headlines I think it must be emphasized and re-emphasized that scaring people is not the course that democracies follow. Democracies, however, are sometimes slow to realize the danger, namely that the challenges of communism which

know no restraint but power, are being increased daily. The devotion of this government is to peace. The continued advocacy of disarmament has had that one purpose in mind. However, when you arrive at a point where everything you endeavour to do in order to bring about disarmament is met by the stone wall of formidable indifference coupled with continuing threats, the people in the free world must realize that every action a government can take for survival must be taken.

Peace is our aim. Peace is our dedication. Peace is the purpose for which the hours of government are taken. But at the same time we would be remiss if we did not do everything we can to preserve and maintain our country against the dread contingency that has been made more frightening by the repeated statements, each often more threatening than the last, that have characterized Mr. Khrushchev and his international revelations and plans during the last few months.

I do not say that what has been done is perfect. No plan that can be made will ever achieve the measure of perfection that all of us have in mind. Last evening I was reading Lord Hankey's book, which is in two volumes, on the days of war. He was the clerk of the British cabinet. After all, clerks of the cabinet are closer to international and national events than even the cabinet ministers themselves, for they have all the departments within their knowledge. He points out the number of trials that turned out to be errors. All the same, advances were made each time.

We are in a field that has never been seriously considered as a necessary one in the past. We are in a field of danger that has developed nationally and internationally. It has developed in increasing measure since 1948. I think we owe the thanks of the house and the country to those who are devoting themselves to this administration, to the voluntary workers, to those who are in charge of the organization, to Mr. Curry and those associated with him. After all, in so far as voluntary workers are concerned, they are giving their services, often thanklessly in the public mind, in their individual contributions to the survival of us all. Such service is of the highest order of good citizenship.

I have taken longer than I intended, but I ought to place before the committee in some detail the action that is being taken and some conception of the additional steps that we have in hand.

Mr. Hellyer: Mr. Chairman, I am sure the committee has been indeed interested in the statement by the Prime Minister this morning. It was a comprehensive statement in many ways. It covered a great deal of territory. It also reflected an awakening of the government's interest in the subject of civil survival. It was delivered in a very serious tone. One cannot help but wonder whether that tone is reflected in the action being contemplated by the government.

It is interesting to note that another exercise will be held in November to test the adequacy of measures taken so far. We hope there will be a considerable improvement shown from the last exercise. We are sure this will be so. However, we still suspect that it will show up a considerable number of very fundamental gaps, and we feel these have to be discussed in greater detail. In considering this subject one must look at a fundamental question, is passive defence worth while? This depends on the kind of world in which we and our children will have to live.

It is a fact, as the Prime Minister indicated, that the United States and the Union of Soviet Socialist Republics have great stockpiles of nuclear and thermonuclear weapons. It is also a fact that they are continuing the production and development of these weapons. Much time and effort has been spent attempting to negotiate a disarmament agreement, so far without success. This is a matter of profound regret to all of us. At the same time we must face the facts as they exist. If we must live under an umbrella of thermonuclear terror for a prolonged period, it may be advisable to take such effective steps as are open to us. As Rogers Cannell said:

> A non-military defence program is very much more than a passive aspect of preparation for all-out war. An extensive, well planned, thoroughly co-ordinated civil defence program is one of the best, most positive steps we can take to avoid war or blackmail threats of war.

The Russians know that we have as yet no real protection for our population. Knowing this, they are in a much stronger position to attempt atomic blackmail. The threat of an attack which would kill a large proportion of our population cannot be taken lightly.

Also, the Soviet know that we have no defence now. A dozen Bomarc squadrons and a dozen squadrons of Voodoos would not begin to provide us with any protection. As a matter of fact the fall-out from these so-called defensive weapons alone, if they are equipped with nuclear warheads, would be sufficient to wreak tremendous havoc amongst our civilian population. No, Mr. Chairman, we have no protection from these devices; we are as exposed as babes in the wood.

The true value of any defence program lies in its contribution to national objectives. If total war should come, and like the Prime Minister we pray that it will not, the survival

of the people—and they are the nation—would be a primary objective. It is virtually certain that at the present time and in the foreseeable future the most effective measures for national survival in the event of war are those which contribute most to the survival of the people. These same measures act as a considerable deterrent to those who would contemplate the launching of a total war.

The Russians themselves appreciate this position. They have already taken steps far in advance of ours, and most of the adult population has received extensive instruction in civil defence measures emphasizing radiological protection.

Mr. Diefenbaker: Mr. Chairman, may I ask the hon. gentleman to give his authority for that statement.

Mr. Hellyer: My authority for that statement is the Stanford Institute research program. The Russians, aware of the facts, train their population in such activities as decontamination, shelter improvisation and atomic, biological and chemical warfare protection. Our government, too, is in possession of the facts, but so far does not seem to take the subject as seriously as one might expect, if the information available to the civilian population is true.

I have often said that it is important, in considering a large problem, to first admit that it exists and then to gauge its magnitude. Once this has been done it is possible to take action on the required scale. If the job is worth doing it is worth doing well. It is useless for some people to have shelters, for example, and others not. In this case chaos would result, if war were launched. As someone said the other day, "What sort of a problem would there be if the sirens sounded; if one person in a neighbourhood had a shelter and if women and children from other homes in the neighbourhood began to congregate there for protection?" On what basis would the selection be made? What tests it would impose on human behaviour.

It is a question of all or nothing. If the job is to be an all-out job, it can only be done if the government provides the leadership, and in particular if it provides the financial assistance necessary to do the job. The magnitude is too great for individual initiative. Strong leadership is required, and strong leadership has not yet been forthcoming. The Prime Minister himself said this morning, "If people are to survive, they need leadership". We agree with that. We are glad to see this new interest.

As the Prime Minister indicated, at least by inference, it would not even be sufficient to have a shelter in every home. The requirement would depend on the time of day at which the attack took place. If it occurred during the day, for example, many children would be at school. It would be necessary to have effective fall-out shelters in schools and other public buildings. The Prime Minister has indicated that surveys are going to be undertaken to determine the adaptability of public buildings for fall-out shelters. The thing that would concern many people in a casual reading of the right hon. gentleman's statement would be the number of surveys which are now to be undertaken. One would wonder why some of them had not been undertaken sooner if the threat is as grave as was reflected in the Prime Minister's tone this morning.

The Prime Minister referred to evacuation. Certainly to have evacuation, warning would be required. Undoubtedly there might be some cases when evacuation would be necessary in the cold war. In times of extreme crisis or if we were under the threat of atomic blackmail, if adequate facilities were available for partial evacuation of our great cities it would add something to the credibility of the deterrent. But this is no substitute for urban residential shelters.

Then, too, the warning systems must be realistic, and as yet they are not. The sirens themselves are practically useless and often do not work. The signals are sometimes not understood. Sometimes they cannot be heard in all areas, and certainly not inside buildings with the windows closed. They cannot be heard when the weather is inclement, when there are storms, and they certainly could not be heard, in most cases, by sleepers at night. If the system is going to be of any use at all and if it is to effectively fulfil its function it has to be properly arranged. There is no question but that an effective warning system would require an individual type of warning, some device within every home and building which could be instantaneously activated either by telephone or by radio in the event of attack. The period of warning has become so short that no other means of communication would be adequate. Some automatic device would have to be developed which would be capable of coping with the situation.

In addition to the shelters and an adequate warning system, many other measures are required. The Prime Minister outlined a number of them in his statement this morning. These include facilities for the storage of food and materials, the provision of medical supplies and other necessities of life, facilities for re-entry and for rehabilitation. All these things must be attended to. It is obvious that to do the job properly even on a minimum scale is a major and expensive project. Any guess as to the probable cost without benefit

of a thorough study would be highly speculative. It is obvious, however, that an expenditure of $3 billion or $4 billion would be required in as many years if shelter protection and warning systems were to be installed on a universal basis for our population.

It is the responsibility of the government to say whether or not the job is worth doing. The government is presumably in possession of all the facts; indeed, it sometimes gives the impression that it is endowed with prescience. If the job is essential we should be told and advised of the consequences. If the government does not think the task is worth undertaking it should say so and give the reasons, explaining at the same time why it is spending money on partial and inadequate measures.

What has the government done so far? In fact, very little, and in reverse order. It is true that it has set up an emergency measures organization. It is also true, as the Prime Minister reminded us this morning, that it has divided the responsibility among four and perhaps more departments. There are those who think this authority is too divided, that it is unworkable, because it lacks a straight line command.

I join the Prime Minister in his tribute to the individuals who are members of the emergency measures organization and others engaged in this work. They are doing the very best they can under extremely difficult circumstances. They are dedicated, competent individuals, and we wish them every success in what they are undertaking. But the real problem is the lack of leadership on the part of the government. This case has been put many times, once by the *Globe and Mail* in an editorial on Thursday, May 18, 1961. The article is entitled "Survival Without Defence" and reads in part as follows:

> The core of the difficulty in evolving a comprehensive civil defence policy is the lack of a clear defence policy, which in turn would have to stem from a well-defined foreign policy.

In the opinion of some of us at least we still do not have a clearly defined defence and foreign policy. The government has, of course, built a shelter for itself. This is fine. The Prime Minister mentioned the necessity for the continuity of government. We hope he is not preoccupied with the continuity of the present government.

Mr. Diefenbaker: The hon. member need not worry about that; we are sure.

Mr. Hellyer: I think the Prime Minister spends a great deal of time worrying about it. The government has purchased very little equipment. The government is now talking about prototype shelters. I must say I was surprised to hear that reference in the Prime Minister's statement. I would have thought the prototypes would have been undertaken many months ago. Particularly I would have thought the prototypes would have been completed before pamphlets were prepared and distributed to the public indicating methods of construction.

In addition to those things mentioned by the Prime Minister this morning, most of which in substance are in the planning and survey stages, the government has mentioned the training of 100,000 additional troops for civil survival. This, on the face of it, sounds like a very fine idea. We certainly need more trained people to assist in the event of a national calamity. According to the figures given to the committee yesterday by the Minister of National Defence, the cost of the training of these individuals will be approximately $5 million per month for pay and allowances alone. On the basis of the total figure he gave us it is obvious there is no provision whatsoever for equipment. We are going to have a broomstick army. I can just see them now, the 100,000 men out with their brooms sweeping up the radioactive debris. Of course I forgot one thing. They will all be dead; they will, that is, unless an adequate shelter and warning system has been established in the meantime. The whole program has been backwards. It is useless to have a training scheme without the essential requirements of shelters, warning systems and a stockpile of supplies, etc.

It would be difficult to establish priorities, but certainly a proper priority would be to build the shelters, to install adequate warning systems and to undertake the training simultaneously.

So far we have been shadow boxing; so far the whole talk about civil survival has had an air of unreality. The people of Canada have a right to be told, and on behalf of the official opposition we demand that they be told, whether the government really takes this problem seriously or whether it does not; whether the government feels that we must have an adequate shelter and warning system or whether it does not. If the answer is positive, then there should be a positive program for effecting it. If the answer is negative, then there should be positive reasons given why they are not required. This is the responsibility of the government. This is what the people expect of their government.

This morning the Prime Minister said that the democracies are sometimes slow to realize the danger. I think that statement can be underlined. The question the Canadian people ask is whether this government has been slow to understand the danger. I hope that before the debate is ended someone will again

intervene on behalf of the government and tell the committee in clear and unequivocal terms whether the government is going to make the program work, whether it is worth working, or whether we are just going to continue, as we have in the past, to dabble with it.

Mr. Pitman: Mr. Chairman, I am sure all hon. members were impressed with the seriousness of the situation as described by the Prime Minister this morning. I am sure also we were impressed with his frankness in indicating that this plan could not achieve perfection because we do not know exactly what kind of attack it will be, what the extent of it will be, or even the kind of weapons which will be used. Indeed, that is an understatement. We cannot achieve perfection, but surely we can give the Canadian people some sense of urgency, some sense of purpose and some sense of direction, something which has been entirely lacking over the past ten years.

This morning the premier of Ontario was quoted as saying, "For the first time we have order out of chaos because for once the army has been brought into this whole matter." This statement is made ten years after we have been threatened with thermonuclear war. The premier of Ontario called the efforts chaos. Evidently the only way a democratic nation can get out of chaos is by calling in the army. I think this is something which we as parliamentarians should be rather sober about. Indeed, I think the measures which were put forward this morning could have a good effect, but only if it is completely proven to the people of Canada that this government is serious about what is going on.

I thought the parliamentary secretary to the Minister of National Defence made a very good point yesterday when he said that we cannot put our heads in the sand. We cannot assume that because thermonuclear war will be so terrible, so horrible, therefore no human being would bring it about. We cannot be so completely devoid of recognition of human madness as to believe that war could not come. He is quite right. All of us in this house have been disgusted, have been angry and supremely disappointed over what the Soviet union has done in the past two weeks. Perhaps if some of us have not belabored Mr. Khrushchev as thoroughly as others—and this includes all parties—it may be because some of us have felt that there is no great advantage in belaboring Mr. Khrushchev.

There is a second way in which we can put our heads in the sand, and that is by failing to recognize the extent of the next war and the kind of attack which will be made. It is the feeling of many, I am sure, that our defence policies and our emergency measures policies are based on some kind of limited nuclear war. We have been told by people who should know that the U.S.S.R. has hundreds of bombers, and our emergency measures organizations are based on the assumption that only a few, maybe ten to 20, will get through.

This is an assumption for which I can find no strategic basis. We know the U.S.S.R. has missiles well on the way to development. We know they are capable of being fired now, yet our defence policies and our emergency measures organization policies are based on the belief that only one or two or three or four missiles will be fired in the first few hours. This seems unbelievable. We know that the Russians have a number of submarines. Some of them may be equipped with nuclear weaponry; yet we assume that only a very few will reach our shores, and only a few shots will be fired. I think this is the reason the people of Canada are so completely immune to the pleadings of the emergency measures organization people throughout the entire country. This feeling is found everywhere. People just cannot get very interested.

The Prime Minister mentioned the pamphlet which was sent out showing how to build a fall-out and blast shelter for $500. In Peterborough last March we tried to find out how many shelters were in the city. We could not find one shelter that had been erected. There had not been a building permit taken out for one shelter. This shows the extent to which the people of Canada are completely oblivious to the danger. They are basing their belief on the hope that there will be no war, or that it will be so complete that there is simply nothing that can be done about it, largely because of the attitude of the government which is based on the assumption that the kind of war which will take place is a limited nuclear war. Yesterday I sat in this chamber and was shocked by the remarks of the Associate Minister of National Defence when he said, as reported at page 8241 of *Hansard*:

> If the worst should come, and if we have to fight again, I do not hesitate to say that we shall once again win the battles of tomorrow just as we won the battles of yesteryear, and this for many reasons. The main reason is that we have right on our side and that right in the days of tomorrow will triumph as it has always triumphed in former years.

We shall win the war of tomorrow. Is this the kind of war it will be? I wish the minister had stated that he meant a limited war. I can only assume he does not see the possibility of an all-out nuclear war in the future. Surely hon. members are convinced that no one will win the wars of the future, and any attempt to talk about winning thermonuclear wars is a deception.

This is what worries me most, the fact that the Associate Minister of National Defence, who has the information in regard to the kind of defence we are building, should be talking about a limited war. If he is sure that Russia has only a few missiles capable of reaching United States and Canadian shores, if he is sure that she has only a few submarines, then he should tell the people of Canada and not talk about winning wars of this kind. He should tell the people that they have nothing to worry about other than a limited war, for which the defence which we have and the emergency measures organization we are preparing will be sufficient. But that is not being done. We have no information whatsoever that this government believes it will be that kind of nuclear war.

I turn now particularly to the emergency measures organization. I do not intend to go into the background, the history of confusion, lack of purpose, lack of material resources and divided authority which makes Mr. Frost's comment about chaos very descriptive. If there is any government which should be concerned about taking the lead in this matter of national survival, it should be the federal government. As I have said, I was much impressed this morning, and I hope we are at the beginning of a new era. I hope we have turned the corner, and that the national government is going to do something about national survival.

I speak as a representative of a community which is not crying or whining for help. It has done as much as it is humanly possible to do to deal with the matter of an emergency measures organization. I have been to other communities where it is nothing more than an office held by some person who has pretty well given up trying to get co-operation. We have a mayor who has taken the lead as the head of the organization. I was shocked when I saw in the newspapers the remark of the mayor of Ottawa, who asked "Shall we get out or shall we get under"? If she does not know it is certainly a terrible situation, because I understand that the federal government expects the mayors of the various municipalities to take the lead in this matter and to be aware of what is going on and what is being planned.

In the community that I represent the authorities have organized in every direction, including the police and fire departments and the Red Cross disaster service. It has been determined what the restaurants and cafeterias can do. It has been determined what Canada Packers, Quaker Oats and other industries can do. They have even brought the ham radio operators into the picture. Every effort has been made to determine exactly what the community can do in terms of a national disaster. What the authorities are looking for is some direction from the top.

Last January an exercise was held in many parts of Canada, when the siren systems were tested. In my community 100 people were listening for them, and a very small percentage even heard them. The survival operation came and went with very few people even knowing that it had taken place. Some of us feel that the sirens are inadequate. Some even say that they are useless, that the pitch is too high and that they are completely unsuitable having in mind the conditions we have in this country. I would hope that serious reconsideration would be given in the very near future to the type of sirens being used. As soon as the exercise was over a letter was written indicating that the people of the area could not even be warned if a national disaster took place. Yet today nothing has been done; we still have the same five sirens.

The Minister of National Defence gave us to understand that a new test is going to be made with the idea of trying to fill the gaps that were indicated in the previous test, but so far nothing has been done. The Prime Minister talks about the gaps shown in exercise Tocsin. Let us get rid of the gaps that existed even before that. I would say that the whole idea of individual shelters in the basements of homes has to be reviewed in terms of the kind of all-out nuclear war which a great many experts are predicting. The very fact that protection for the Canadian people is based wholly on whether a person has $500 to build a shelter is in my opinion a national shame. Having in mind the hundreds of thousands of unemployed last winter, and the fact that a great percentage of our farmers are not even making $2,000 a year, how can it be expected that these people are going to be able to pay $500 in a year to build a shelter? There is the additional fact that if you build a shelter you are then assessed more on the building containing the shelter than previously. In other words, you will pay for the shelter for the rest of your life.

Mr. Speakman: Would it be worth while having it to be alive?

Mr. Pitman: If I could be sure of being alive, but that is the whole point that needs reassessment in terms of the type of war being predicted. We need to reassess the whole basis of our thinking. We would not sell Salk vaccine at $10 a shot, and neither should we be selling national survival on the basis of $500 for shelters in the basements of our homes.

In the pamphlet "Eleven Steps To Survival" there is set forth step by step a method by

which we can survive. I am very concerned about information I have received to the effect that this publication is not entirely reliable. I have a letter here written by a gentleman in my area who is a Ph.D. in nuclear physics, who has worked on nuclear reactors for some nine or ten years and has even invented and patented instruments to detect radiation. He has studied this pamphlet and has reached some very interesting conclusions as to the validity of the bases on which it has been written. He has this to say in the letter, and I am pleased to place this on the record:

My main concern is with the advice EMO is giving on fall-out shelters. Take first your booklet "Eleven Steps To Survival". On page 10 under "Know the Facts About Radioactive Fall-out" it is implied that the fall-out comes from activation of "earth, stones, buildings" etc.; but the decay rate stated on page 12 is that for fission products from the fission of U-235. But regardless of this inconsistency, if the radioactivity were from the earth, the lifetime of that radioactivity would depend on the locale, and one could not make any such general statement as is made on page 12. On page 14 the pamphlet states that the shelter given in "Blueprint For Survival No. 1" will stop 99 per cent of the radiation. This is not true. Eight inches of solid concrete will only stop about 90 per cent of the radiation; the difference between 99 per cent and 90 per cent may sound trifling but it means that the occupant of the shelter receives ten times as much radiation in the 90 per cent case as in the 99 per cent case.

Do you wish to call it one o'clock, Mr. Chairman?

Mr. Churchill: Mr. Chairman, in view of what will take place at 2.30 this afternoon, with the president of Iceland in the chamber, could we now rise and report progress so that Mr. Speaker will be in the chair at that time?

Mr. Diefenbaker: Mr. Chairman, having had these general statements from the opposition, I would suggest that we return to the defence estimates this afternoon. I made my statement this morning because of the undertaking I had given to the Leader of the Opposition and in accordance with the arrangement that was made.

Mr. Hellyer: I do not know whether the Prime Minister has consulted with those in our party about that, but I understand that what he suggests would not be too convenient for us. If it is not too inconvenient for him, we would prefer to continue with the estimates of the privy council today and then return to the defence estimates tomorrow.

Mr. Diefenbaker: As the president of Iceland will be in the gallery we have to break in any event, out of courtesy to him, and I suggest that the committee should then continue with the defence estimates. I wanted to get my statement before the house so the widest possible discussion could take place.

Mr. Herridge: Mr. Chairman, the members of this group support the official opposition in their request to continue the discussion of the civil defence item this afternoon and if possible finish it before we adjourn at six o'clock. I think we could do that very easily and we would then have all the discussion in *Hansard* in the one place. Would the Prime Minister reconsider his suggestion?

Mr. Diefenbaker: I always want to consider such matters, but the president of Iceland is here, which necessitates absences from the house. I would not be able to be here for the discussion. I wanted to carry out my agreement with the opposition that I would make my statement this morning. I have done so, and I would appreciate it if the house would permit me to be free this afternoon.

Progress reported.

At one o'clock the house took recess.

AFTER RECESS

The house resumed at 2.30 p.m.

HOUSE OF COMMONS

PRESENCE IN GALLERY OF PRESIDENT OF ICELAND

Mr. Speaker: Has the Prime Minister leave to revert to motions?

Some hon. Members: Agreed.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, with the leave of the house I should like to refer to the presence in the gallery of the president of Iceland, Mr. Asgeir Asgeirsson, who is not unused to parliamentary institutions. He was, for a period of years, a member of the parliament of Iceland and occupied successive portfolios, finally that of prime minister. Throughout the years, he has made a great contribution to freedom and to the maintenance of good relations amongst the nations. This country and Iceland have had close relations going back for a thousand years. Indeed, it is not for me to become controversial, but it is recorded that the discoverer of Canada, Lief Erikson, was of Icelandic origin and came here 400 or 500 years before the recorded discovery. Throughout the intervening years there have been close ties between our nations.

Today, there are around 24,000 people of Icelandic origin in Canada, and they have two representatives in the House of Commons, the hon. member for Kenora-Rainy River (Mr. Benidickson) and the hon. member for Selkirk (Mr. Stefanson), and in the other place Senator Thorvaldson. This is an

indication of the persuasive influence that the possession of a parliamentary form of government for ten centuries has had on the thinking and the lives of those either born in or descended from that country.

During the days of war, Canadian troops were stationed in Iceland in the years 1940 and 1941. Later on, there was a Royal Canadian naval base at Iceland which made it possible to bring about, at an earlier date, victory in the battle of the Atlantic. Since the war Iceland has been one of those countries which has given itself to freedom. It is a member of the North Atlantic Treaty Organization and its position, so strategically placed, has made it an important bastion in the north Atlantic community.

I am sure I speak for all hon. members in the house in extending to him a warm welcome, to his wife and, if I may join therewith the foreign minister, Mr. Gudmundsson and Mrs. Gudmundsson, as well as other members of their party. I hope that their stay in Canada will be an enjoyable one and that in the years ahead, as in the past, we shall walk together in freedom.

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, it is with the greatest appreciation and pleasure that I associate the Liberal party with the welcome the Prime Minister has just extended to the president of Iceland, his wife and to the members of his party. I do so, Mr. Speaker, with all the greater pleasure because I have, myself, had the privilege of visiting Iceland twice and have been the beneficiary of the legendary hospitality of the friendly people of that island.

The president is the representative of a people who, as the Prime Minister (Mr. Diefenbaker) has said, have deep and close links with our own country. It is a country which has sent many of its men and women to Canada who, with their descendants, have enriched every aspect of Canadian life, including the arts, the sciences, law and the public service. As we have just been reminded by the Prime Minister, there are two members of our own house who are of Icelandic descent. At a time when there are in the world those who are trying to gain respect by brute force and braggadocio, it is a refreshing privilege to welcome to this house and to our country the distinguished leader of a people who, a thousand years and more ago, had learned how to govern themselves peacefully through free parliamentary institutions and who, ever since then, have earned the respect of all peoples not by their power but by their civilized decency and their passionate devotion to liberty under law.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, on behalf of this group I associate our members with the best wishes that have been expressed by the Prime Minister (Mr. Diefenbaker) and the Leader of the Official Opposition (Mr. Pearson) to the president of Iceland and his colleagues who are present in the house today.

Iceland has been referred to as the grandmother of parliaments, having been in existence exactly 1,031 years this year, I believe. But through the reading of history and the developments that have taken place, I think it would be more correct to say that Iceland was the great aunty of parliaments. Incidentally, just a little while ago I was informed that the Icelanders formed the first republic in the British commonwealth of nations. In the northwest territories that was later incorporated in the province of Manitoba I am informed that an Icelandic republic was formed but it was later incorporated in the confederation of Canada without any difficulties whatever.

I believe our opinion of people is often related to our personal relations in addition to our reading and our attempt to understand other people. I am happy to say this, if you will pardon a personal reference, Mr. Speaker. Our family landed in Manitoba in the early days of this century, hoping to get started on a cattle farm. My father, who was rather green as far as Canadian ways were concerned, built a shack at a point where Cathedral avenue in Winnipeg bisects the railway that runs to Winnipeg Beach. It was a single board shack made out of shiplap. During the winter the temperature fell to 57 degrees below zero. Had it not been for the kindliness of an Icelandic dairyman—I think his name was Thorgeson—who lived somewhere close to us, we would all have been frozen to death that winter. We therefore have that memory for which to give them credit. Perhaps some hon. members on the government side wish we had frozen to death. We think of the great kindness of these people the first time we had ever been associated with people of Icelandic stock, having regard to the things they did for us. They were extremely practical compared to our impractical approach to Canadian life at that time. I understand that President Asgeirsson has had a long and distinguished career in the service of his country as a public official, a member of the Icelandic parliament, minister of finance and prime minister. I am informed that he is now serving his third term as president, having been elected in each case without opposition. Without doubt we have with us today a very distinguished representative of a very democratic state.

To me it is also interesting to note, Mr. Speaker, that he was always interested in education. He has been a leader in education in Iceland. I cannot resist mentioning the fact that the new national president of the New Democratic party is also a leader in education. I hope this direction in history that has been followed by the president of Iceland will be followed with similar success in the days to come in Canada.

SUPPLY

DEPARTMENT OF NATIONAL DEFENCE

232. Departmental administration, $3,455,378.

Mr. Forgie: Mr. Chairman, the matter I should like to discuss for a few moments this afternoon should really be discussed under one of the later items. However, owing to the fact that I shall be unavoidably absent after three o'clock this afternoon I crave permission of the committee to allow me to speak on this one matter.

I wish to bring to the attention of the committee a situation with regard to hospitalization at the Petawawa military camp. It is my hope and also that of the dependents of the army personnel at the camp that some remedial action will be taken to cure the situation existing at camp Petawawa at the present time. The population of camp Petawawa, according to the figures given to me just recently, is approximately 10,000 made up of army personnel of 3,700 and dependents—wives and children—of 6,300. Those figures are approximate.

In 1959, the Pembroke Cottage hospital decided to make an addition to its facilities, this addition to be financed by subscriptions from the personnel of my constituency, as has been done in the past. However, owing to the fact that in the Petawawa military camp and outside in the village of Petawawa there were 6,300 civilian personnel, it was decided that some relief should be sought from the Department of National Defence. On March 21, 1959, a letter was written to the deputy minister of national defence by the chairman of the board of governors of Pembroke Cottage hospital. I will read just four paragraphs of this letter which are as follows:

> An examination of hospital usage has shown that dependents of D.N.D. at Petawawa military camp have taken up 15 per cent of our capacity during the year 1958. Moreover, the expansion program indicated for Petawawa would suggest that 35-45 per cent of our present bed capacity would be needed to service the dependents of D.N.D. personnel by 1961 or 1962.
>
> This expansion, together with a general population increase in the area and our present situation, poses a problem. It is obvious that we should increase our facilities and such increase should provide for the expansion of need at Petawawa.
>
> Until now, the Cottage hospital has in the main been financed by local industry, business and townspeople. There have been, of course, government grants. However, all grants seldom exceed 35 per cent in total.
>
> For our future needs we will require financial help beyond the scope of the town's ability to pay. As D.N.D. is a large employer and has shown acceptance of providing facilities such as modern schools, it is our belief that hospital facilities are in the same category and merit your financial support.

On March 31, 1959, the deputy minister replied to that letter. I should like to read paragraphs 2 and 3. The letter is addressed to the chairman of the board of governors of the Cottage hospital. Paragraphs 2 and 3 read as follows:

> The Department of National Defence is not authorized to contribute towards the cost of the extension of hospital facilities such as yours. Any contributions that are made by the federal government are made under the Hospital Grants Act administered by the Department of National Health and Welfare. Since we cannot assist in this matter there appears to be no purpose to be served by meeting with your official board.
>
> I note in your letter that you have assumed an extension program at Camp Petawawa which would result in a very substantial increase in the number of dependents there. There is no planned extension of the number of military personnel to be located at Camp Petawawa and I think it is a correct assumption that there would be no wide variation in the number of dependents there under these circumstances. While the number of married quarters are being increased by the present construction program, this should not result in any significant difference in the total number of families of military personnel in the area.

I do not think that is a statement of fact at all. On April 3, 1959 the camp commander wrote a letter to the chairman of the hospital board. I should like to read what he said:

> Whether the above figures represent an actual increase of 815 families is hard to state at this time. As you are probably aware, there are over 500 army families living in civilian accommodation in Pembroke-Petawawa area, and there are a further 150 who have no accommodation in the area. Another major unit has been added to the camp and will be located here by this fall. The first 415 houses will take care of the majority of those families now living in the area. There is a rotation between here and Germany this fall by two major units. It is estimated that the married strength of the unit returning is greater than that of the unit leaving the area. Therefore it is expected there will still be soldiers' families living in civilian accommodation.
>
> With all new quarters occupied by late 1960 the actual increase in the area might only be approximately 400 families. However the army does not cater for 100 per cent of its married strength and I think it would be safe to assume there would always be at least 200 families living in civilian accommodation. There could therefore be a net increase of 600 families in the area. The size of our families is remaining fairly constant at 2.7 children per family so that the increase of 600 families would mean approximately 2,200 additional wives and children.

Just as an aside I should like to say that in the Petawawa military camp today there are 92 school teachers and the school strength

is well over 2,600. I now wish to refer to a letter dated May 5, 1959, written to the president of the board of governors of the Cottage hospital by the deputy minister of national defence. I should like to direct the attention of the committee to one word in the first paragraph. This paragraph begins:

> The department does not normally—

It is the word "normally" to which I refer. The paragraph continues:

> —assume responsibility for the hospitalization of dependents of servicemen. When dependents are sent with the men to isolated posts or overseas, the department arranges to get them to a place where they can get hospitalization when necessary or admits them to a camp sick bay or hospital if one is available.
>
> Authority is provided under the Municipal Grants Act, administered by the Minister of Finance, to pay grants in respect of federal property in a municipality where municipal services are provided in respect of that property. The department provides schools on many of its camp sites because there is no practical alternative because of location and other considerations. Where school services are provided in camps, deductions are made from the municipal grants on account of this. Service children who are not living in married quarters in the camps attend the local schools in the district in which they reside in the same way as any other resident in the area.

That is not the case in Camp Petawawa because the busses take these children to Petawawa point and take them home again after school, and that is well outside the confines of the military camp. The letter continues:

> While it may appear that schools are being dealt with differently than hospitals, similar principles are, in fact, applied to both. Differences arise out of the local methods of financing the construction of hospitals in that very often a considerable part of the capital is raised by local subscription of individuals and businesses. The department is not in a position to contribute in this manner.

It is my contention that because of the lack of facilities for hospitalization for the dependants of personnel at the Petawawa military camp, these personnel now consider themselves second-class citizens. That is something which should not be allowed anywhere and that is exactly the situation at Petawawa now.

The question of non-participation by the Department of National Defence has been raised in this matter of hospitalization and I should like to refer to the estimates of 1961 of the Department of National Defence, item 234, which reads as follows:

> Grants to assist in the construction of the soldiers' memorial hospital at Middleton, Nova Scotia, in a total amount of $135,588 subject to such terms and conditions as are approved by treasury board; amount required for 1960-61, $65,000.

Then in the supplementary estimates for the fiscal year ending March 31, 1962, under item 542 we find the following:

[Mr. Forgie.]

> Final instalment on grant to assist in the construction of the soldiers' memorial hospital at Middleton, Nova Scotia, $33,897.

It is not my intention to pursue this matter at great length. I am assuming that the Minister of National Defence has not heard of this situation and I just wish to call it to his attention to see whether something can be done.

I should now like to read from *Hansard* of 1959, volume V, page 5509. The Minister of National Defence was asked about item 230, which read as follows:

> Grants to the town of Oromocto, subject to the approval of treasury board, for municipal services including the maintenance and operation of schools and to promote the development of the town, $1,656,000.

General Pearkes replied to the question on that day as follows:

> Oromocto is the dependents' town at Gagetown. It is where all the dependents of personnel and the married service personnel live. It is set up under a special agreement that was reached a few years ago. They have a town council. They are encouraged to organize their own services and grants are made by the government in order to maintain this small town for the purpose of looking after the dependents of our service people.

There was a memorandum sent out under date of June 15, 1961 a copy of which I received from the proper source and portions of which I should like to read. The first reads:

> The cost of the hospital—

That is the hospital at Middleton. I continue:

> —was $1,045,000, towards which national defence paid $135,600. Grants from other governmental sources were as follows: Health grant (federal) $199,000; health grant (provincial) $292,000; municipal, $385,000. The assistance was paid as quarterly stages of construction were completed—

Another portion relating to the Pembroke Cottage hospital reads:

> The total estimated cost of this operation is estimated at $743,737 of which $100,693.33 will be paid from federal health grants. The province is contributing $117,880, and so you can see the two senior levels of government are paying a smaller percentage of the total estimated cost in this case than in the case of Middleton.

In conversation with the department they took the position that we were obtaining grants from the Department of National Health and Welfare and from the province. I point out that many other places are in a similar position but they do not have a military camp such as we have in Renfrew North. People from the camp must be attended when ill. They are occupying beds in the hospital for which people in the community paid. It would be a sorry pass to have to say to the people that they cannot be accepted in the hospital. A couple of months ago we had 285 people waiting for hospital beds. The present extension provides only 38 beds.

I wish to place on record a letter I received under date of August 17, 1960 from the former minister of national defence which reads:

> You will remember on a number of occasions you have spoken to me concerning the Pembroke Cottage hospital and the possibility of this department arranging financial assistance for the hospital. I have carried out a very thorough survey to see whether any assistance in this regard can be given this year but unfortunately, due to financial stringencies, we are unable to be of assistance at present. However, I am taking up the matter with treasury board—

I imagine that that is the stumbling block. I continue:

> —in order to ascertain, if possible, whether some arrangement might not be made at a future time, perhaps next year.

I do not wish to take up any further time of the committee on this matter. However, I wished to make sufficient reference to the matter to interest the present Minister of National Defence. I urge him to see whether something can be done to ameliorate conditions in that section of the country.

Mr. Herridge: Mr. Chairman, I wish to take the opportunity provided on this vote to place before the committee certain criticisms that the party to which I belong feels should be made with respect to NATO. We recognize that the formation of NATO 12 years ago might well have been a wise move only because it might have been tempting to the Soviets at that time to fill the military vacuum that existed in western Europe. We were informed that NATO's original aim was to maintain the peace. Our fundamental criticism now stems from the fact that NATO appears to be becoming a vested interest of more importance in itself than NATO's original aim. In our opinion if NATO had consciously sought peace throughout the years it is most unlikely that we would have the so-called Berlin crisis today. From correspondence I have received within the last two or three days I am able to say that many intelligent Canadians are of the same opinion.

In our opinion until 1955 there was a real possibility that German reunification could have been bought for the price of German neutrality on a basis similar to Austria's. However, already in 1955, those who view history only in military terms, those who believe that foreign policy is merely a question of armed strength and who depend on that alone, were already on the ascendency in NATO. Rather than doing everything possible to bring about a peaceful settlement to the problems created at the conclusion of world war II, other steps were taken. In the opinion of the party for which I speak NATO aggravated those problems by deciding on the rearmament of Germany. If anything could have been better designed to prevent the reunification of Germany and to aggravate the problem of Berlin, I do not know what it could have been.

Hon. members will remember the policy of the C.C.F. at that time was to oppose the re-arming of Germany. We took that position in this house.

I wish now to deal with certain statements made in other places by Senator Wayne Morse of the United States. We appreciate the fact that everyone taking part in this debate is expressing his sincere conviction. We recognize that every hon. member seeks to advance proposals that in his or her opinion will preserve world peace. It is my responsibility and duty to bring to the attention of the committee the point of view of the party I represent.

Senator Wayne Morse who is a very courageous and independent thinking member of the United States senate recently raised a question of the appointment of General Heusinger. He brought this to the attention of United States senate, as a result of representations made to him by the American Jewish congress which were supported by their brother organizations in Canada.

The American Jewish congress issued under date of November 22, 1960 a memorandum which points out that:

> The statement on extermination of Slavs and Jews quoted above in Gilbert's "Nuremberg Diary", was made in an affidavit to the Nuremberg tribunal. Heusinger initialed and forwarded for action two military orders that were decisive in the Nuremberg judgements—the so-called commissar order and the so-called command order under which thousands of civilians and partisans were shot by Nazi occupying troops in various countries.

It was reported to Hitler that under the direct order of General Heusinger, there was carried out an order that called for the massacre of men, women and children. This was dealt with in correspondence between General Heusinger and Hitler. Also in his reference to the carrying out of his order General Heusinger mentioned that this order provided the opportunity to exterminate the Jews and the Slavic race.

Senator Wayne Morse brought this matter to the attention of congress. There was not much reference to it in the United States or the Canadian press. As a result of these representations which occupy a page or two of the *Congressional Record* of April 19, 1961, the matter was dealt with by a United States assistant secretary of state. He sent a lengthy letter to Senator Morse trying to explain the circumstances and justify the appointment of General Heusinger. In reply to that, Senator Morse wrote as follows:

June 1, 1961.

Hon. Brooks Hays,
Assistant Secretary of State for Congressional Relations, Department of State,
Washington, D.C.

Dear Mr. Secretary: Thank you very much for your letter of May 25, in regard to the appointment of General Heusinger.

Frankly, I find it very unconvincing. The United States should have been no party to such a shocking appointment.

Sincerely yours,

Wayne Morse.

In his explanation Mr. Brooks Hays points out that this appointment had received the endorsation of all governments within NATO. Before this debate concludes I should like the minister to inform the committee whether he was consulted with respect to the appointment of General Heusinger, and whether he agreed to his appointment. I bring this matter to the attention of the committee because it is of serious concern, and even a matter that was discussed on platforms in the elections in Norway which were reported yesterday, and had some effect in the election of two or three socialists who now hold the balance of power in the Norwegian parliament.

Mr. Pallett: All the other members supported it.

Mr. Herridge: Yes. I meant the ones who were elected. They ran on an anti-NATO ticket and were elected with overwhelming majorities.

Let me say also that other members joined in conditional criticism of this appointment. I mention this sincerely because it is a matter of serious concern to many people. I think this type of appointment is a most unfortunate thing and causes a lot of distress as to the ultimate direction in which NATO will go.

Can you expect a man of this type who has ordered the massacre of civilian populations, according to his instructions from Hitler, to be fighting for democracy? Can you believe this man is interested in the saving of Christian democracy? I cannot believe it, and I know there are many other Canadians who agree with what I say in this respect.

I wish to quote very briefly from a recent edition of the *Nation*. This is an extract from "NATO joins the Wehrmacht ... Heinz Pol."

This increasing militarization of the German mind is one of the three great dangers arising from present trends in the federal republic. The gradual linking of the Bonn Republic with the "glorious military past" is taking place almost unnoticed.

I ask members of the government to remember that in orders issued by the German army at this time repeated reference is made to the glorious military traditions of the past. I continue:

[Mr. Herridge.]

Several important persons in Germany, and isolated newspapers and periodicals such as the Frankfurter *Rundschau* or *Der Spiegel*, point to the growing danger and have enough guts to criticize Strauss' nuclear policy. The others either don't grasp what is going on, or else play along. Consider the Free Democratic party, which describes itself as liberal. In the forthcoming elections, it will presumably gain votes, which will give it a key position in a future coalition government. In a pre-election speech on May 1, 1961, Erich Mende, its chairman, announced amid tremendous applause that Germany's military tradition would finally have to be restored. Among the heroes to be honored, he named half a dozen prominent Hitler generals.

We fear that these people are becoming the predominant influence in NATO and we fear also the increasing strength of the German armed forces. I had an interesting thing brought to my attention last night by a lady who came from the United Nations to see me. She is an observer there. She gave me the following information, and I quote:

The information which is not printed today is more disturbing than the misinformation and propaganda which appear. The fact that General John S. McCloy, chief of the U.S. disarmament administration, is a brother-in-law of West Germany's arms-minded Chancellor Adenauer—as is also Lewis O. Douglas, high also in government planning—in itself means little or nothing. But the fact that any proof of the relationship is missing from Adenauer's biography in both American and British *Who's Who*, that no American newspaper or broadcaster, to my knowledge, has ever mentioned it, and that Dean Acheson, describing a meeting between McCloy and Adenauer in a recent *Harper's* article, made no mention whatever of their relationship, is much more significant.

We in this group are concerned over the fact that these generals are having an increasing influence in NATO. When Germany was re-armed we were told it was to integrate its forces, to bring Germany under the control of the NATO forces and under the influence of the democratic nations. I could go on reading extract after extract to show that these people, these German generals, are obtaining increasing influence and are having more and more to say. Members of this group object very strongly indeed to Canadian soldiers being asked in reality to march behind General Heusinger a man who gave effect to the terror orders issued by Hitler, who in his orders pointed out that here was an opportunity to destroy the Jews and the Slav races.

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

Mr. Herridge: Yes.

Mr. Speakman: Will he tell us whether the party for which he speaks believes in opening the door to a new enemy by keeping alive those old hatreds and by trying to drive a wedge into the defence of our allies in NATO?

Mr. Herridge: Certainly not, a great deal of the information I get comes from democratic German friends of mine and from German publications.

All we are suggesting is that instead of this type of appointment, surely there are people who can be asked to command NATO troops whose record is clean from the political point of view, and whom Canadian troops would not be ashamed to march behind. I tell the minister that I have had this question also mentioned to me by Canadian soldiers, now retired.

Mr. Harkness: Is the hon. member aware that General Heusinger does not command anything?

Mr. Herridge: Yes, not directly, but he is chief of the general staff's committee of NATO. Is he not chairman of the general staff's committee? He is a leading official in NATO. He does not march at the head of Canadian troops on the roads. He is one of the senior planners in NATO and the minister cannot deny that in fact and in spirit he is the leader of Canadian troops who are in NATO at the present time.

Mr. Harkness: I do deny it.

Mr. Herridge: General Heusinger is chairman of the NATO military representatives committee in permanent session in Washington.

Mr. Harkness: That is right.

Mr. Herridge: Which means in effect and in spirit Canadian troops march behind him because he is one of those who plan the actions that they take.

Mr. Harkness: It does not mean that at all.

Mr. Herridge: It is obvious that the minister and others are on the defensive. They wish to intimate that he is not really in the leadership. If they were proud of his appointment they would not attempt to point out the fact that he is not in direct control of Canadian troops.

However, I have another quotation here which I wish to read before proceeding further. I never forget what Lord Wavell said when he was in Ottawa on November 14, 1949 as reported in the Ottawa *Journal* of November 15, 1949. This is what he had to say at that time:

> Field Marshal Earl Wavell, commander in the African desert and the first allied victor of world war I told a press conference he considered the Germans a greater problem to the world than the Russians.
>
> He believed the Russians did not seek world domination, but he did not think the nature of the Germans, aggressors in two world wars had changed. "Now the democracies are strong and if we stand up to Russia, I don't think we will have any more trouble.
>
> I don't think we shall have a war and I am sure the Russians don't want war if they can avoid it. I know the Russians for I have spent about two years there at various times and I would say the Russians are looking for security and trying to build a defence against Germany.
>
> They have been invaded twice during a generation and they have had casualties beyond any other combatant. The devastation caused by the Germans invading Russia had to be seen to be believed.
>
> I think their fear of the Germans is at the bottom of the Russian attitude."

And I believe that at the present time.

> "I would say they are not aggressive like the Germans for two reasons. They do not have the German urge for what Hitler called living space because they have plenty of land and they do not have the aggressive German belief that Germans can run a country better than anyone else. I do not think that Stalin and the other Russian realists believe that they can do that. They would like to spread communism into Europe, but I doubt if physical aggression and domination is in their minds."

Then he goes on:

> "The Germans are the most dangerous people in Europe. If I were a Russian I would be nervous about a resurgence of Germany."

That is what a very distinguished field marshal had to say when he was in Ottawa in 1949. I believe there is a great deal in what he says, that we have aggravated the situation as a result of the rearmament of Germany and as a result of the appointment of generals such as I have mentioned, and that is becoming a question for discussion in more and more countries.

I know that much has been made of Soviet intransigence but it also seems to me that far too little was done in the west to make an honest and sincere attempt to arrive at a general settlement with the U.S.S.R. in the new spirit that prevailed immediately after the death of Stalin. I think a great opportunity was afforded at that time if we had not had this irritant of the rearming of Germany. NATO, it seems to us, has simply ignored the Rapacki plan for disengagement and disarmament in central Europe—they cast it aside although it was proposed by prominent United States officials and proposed by various persons in the parliament of Great Britain—even though this plan was markedly similar to the plan proposed some years ago by the then Right Hon. Anthony Eden.

We consider that there is nothing sacred about NATO. Secure the return of Soviet forces within the frontiers of the U.S.S.R. and we believe the need for NATO will disappear provided, of course, that a mutual security pact for central Europe is worked out under the aegis of the United Nations at the same time. I might say that we were very pleased

to hear the Prime Minister and the Leader of the Opposition say that we should work for Berlin to be brought under the jurisdiction and control of the United Nations. That might seem a bit idealistic at this time but I think it is something we should all work for and in my opinion it is a proposal that can bear fruit if we understand the reasons for Soviet fears under the present circumstances.

Some will cry out: "What about the Atlantic alliance? What about western unity?" We reply that military alliances essentially are for war and not for peace, and in our case we have formed this military alliance to protect ourselves. Although the New Democratic party is willing to accept the temporary necessity of NATO to prevent a military vacuum in western Europe, we look forward to the day when a United Nations world security force can make all regional alliances obsolete, a day when our defence will be found in a United Nations police force. I might say, Mr. Chairman, that we do not intend merely to indulge in wishful thinking; we intend to strive with all the means at our disposal for the attainment of this ideal.

We certainly support all measures tending toward greater economic and political unity of western Europe. That has been demonstrated by our attitude in the house. Undoubtedly if true political unity is achieved then military unity will follow. We would accept this, for we believe in the cart following the horse. But what we do object to is NATO as it has come to be in practice, in effect a military organization dictating the foreign policies of its member states. We simply follow along. Major decisions are made and we have very little effect upon them.

In our opinion, if NATO had remained true to its original concept it might well have served, through clause II of its charter, as the vehicle for a greater European economic integration. That opportunity has been lost. I know the efforts that were made by the present Leader of the Opposition to give more effect to article II when he was a member of the committee known as the three wise men. As I have tried to show, Mr. Chairman, NATO is now purely a military organization limited in its scope and seemingly barren of the capability of bringing a fresh approach to the problems of the day. Its whole approach is becoming increasingly military all the time.

The New Democratic party, though it has reservations, has accepted that Canada should remain in NATO for the present, provided NATO does not become the vehicle for the further spread of nuclear weapons. This is the condition upon which the New Democratic party would agree to remain in NATO.

[Mr. Herridge.]

Mr. Martin (Essex East): May I ask a question? I am trying to ascertain precisely the position of the hon. member's party. Assuming that no other NATO members acquire nuclear weapons, do I understand that the position of the hon. gentleman's party is that it supports NATO even though it may be at this time, as my hon. friend says, essentially engaged in military pursuits? Does the New Democratic party agree to support NATO in its present imperfect form provided none of its members acquires nuclear weapons other than those that have them now?

Mr. Herridge: I am quite ready to answer the question. The policy of the New Democratic party is exactly that. The convention approved a policy that support should be continued to NATO on the condition that nuclear weapons were not extended to any other country than those that have them at the present time. That is the position of the party.

Mr. Martin (Essex East): That being the case, would the hon. member explain how he can possibly make the criticism that he is now making about NATO?

Mr. Herridge: Mr. Chairman, this is conditional support given to NATO as a result of the convention decision of the New Democratic party. At the same time I am trying to bring to the attention of the house certain other features with respect to the administration of NATO that are causing serious and increasing concern, and that is why I mentioned the appointment of General Heusinger. The New Democratic party has accepted that Canada should remain in NATO for the present provided NATO does not become the vehicle for the further spread of nuclear weapons. The majority in the New Democratic party hope that on coming into power the New Democratic party government will be able to effect the basic changes in NATO's policies, strategy organization and attitudes that have in our opinion become essential. In our view the aim of western diplomacy should not be to perpetuate NATO but rather to strive to bring about those conditions that will make NATO obsolete. To achieve success in this endeavour is in our opinion to take a long step forward to achieving peace.

When the second world war started, Mr. Chairman, the western aim was to prevent Germany attaining hegemony over eastern and central Europe, but at the end of the war the western aim had become to destroy Germany's power for generations, if not forever. I am speaking of her military power and not the power of her people to rise again and develop a great culture. The result was that the west allowed the Soviets to attain

that consolidation in eastern and central Europe which we had sought to deny to Germany.

In 1949 the aim of NATO was to maintain the peace. Now all we hear in NATO is the necessity of maintaining western unity. There is a difference in perspective and outlook there. History is repeating itself and it will continue to do so as long as we allow military thinking to dominate NATO and the minds of western statesmen.

What use was the winning of the last war when we so obviously lost the peace? What use will there be in maintaining western unity when we will all be united only in the grave if we go on as we are now?

Let us get back to the original aim of NATO—peace. Let us strive to bring the NATO powers to work for a settlement in Europe. Remaining in the position reached by our victorious armies 16 years ago is not a settlement. It is not even an armistice, for we are now engaged in an arms race with a former ally who, incidentally, lost some six million men in battle and uncounted millions owing to the savagery of the German armies that they were fighting.

Because of these considerations, Mr. Chairman, we object most strongly to the present so-called military build-up. In terms of the terrible power of the thousands of H-bombs that would be unleashed in the event of war breaking out, the sending of 2,000 additional troops by Canada to Europe is absurd. It is also provocative, for it shows not determination, not a desire to strive for the original aim of NATO which was peace, but rather a desire to strive by force of arms to maintain the status quo in Berlin. If the west was truly protecting the freedom of West Berliners, then our reaction could be understood. However, all our troop reinforcements really indicate, and apparently are intended to indicate, is the bareness of new concepts in the minds of the leaders of the west.

What makes our military gesture all the more farcical, all the more silly, from our point of view, is that we are not sending a single additional military unit to Europe but are simply making good the attrition or wastage of front line troops caused by the well known inclination of peacetime military forces, like other bureaucracies, to indulge in luxuries when no one is looking. We know that they have extra batmen, extra cooks, extra gardeners and extra people doing chores. What we are actually doing is replacing the loss of combat troops who are now performing other services. When our military forces went to Europe initially, they went as a full establishment at least, we were told that. If they are not at full war establishment now the reasons can be found in the administrative headquarters commanded by a full colonel in Antwerp and in the officers clubs, leave centres and recreational facilities in which peacetime armies abound.

If the Minister of National Defence really thought the front line units should be brought up to strength, he had only to round up and send forward all the rear echelon types who have grown up around our army brigade group and our air division over the last ten years. Anyone with any experience in military affairs knows that this happens.

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

Mr. Herridge: Yes.

Mr. Chambers: Is he suggesting that our troops who spend three years overseas, should have no leave?

Mr. Herridge: Certainly not; I have some other material with which I intended to deal, but the chairman tells me that my time has about expired. I have tried to give the point of view of the members of this group. I trust our views will receive serious consideration. We are not making these criticisms lightly. We are not making them to be awkward or different. We are making them because we believe that the circumstances I have mentioned here, and the circumstances surrounding NATO and its administration, as well as the government's point of view, are deserving of criticism at this time in view of the situation the world faces.

Mr. Jung: I intend to speak very briefly on this item. Before I do so, I should like to ask the last speaker the following question: I listened to his remarks and I understood him to say that the government's stand in sending a further 2,000 troops to reinforce our brigade in Germany was a provocative gesture. Then, he followed that up by saying these troops would really not add to the fighting efficiency of our forces, they would only serve as extra batmen and so forth. If that is so, is that as provocative a gesture as the Russian resumption of nuclear testing? I should like to have the hon. member's opinion.

Mr. Herridge: I very willingly answer the hon. member for Vancouver Centre. I said a provocative gesture, and possibly I should have more correctly said, could be taken as a provocative gesture without providing the military build up that the government talks about I think it has been reported as a military build up and could be misunderstood; that is my point of view.

Mr. Jung: I am quite sure an intelligent person such as the hon. member for Kootenay West could understand that it is not a provocative gesture.

I should like to speak very briefly in order to pass along a suggestion to the Minister of National Defence, and it is this: some way should be devised whereby some members of the general public could attend lectures on survival operations. I make this suggestion because so many of the people of my constituency have communicated with me making this request. These people are deeply concerned about this aspect of the subject and do not know where to turn in order to get the necessary information. I suggest to the minister that if we are going to train 100,000 militia in survival operation, we should also be able to make available to the members of the general public, shall I say, night lectures on this subject. They might be given once a week in the local armoury. While these lectures may not give complete consideration to the subject, nevertheless they could give some indication of what the people could expect and what they, themselves could do. I believe that such a lecture was held recently in Ottawa and the turnout was so great many could not get in. If this is an indication of the general attitude of the public, then I think we have a responsibility to ensure that all those who wish to receive instructions in this vital subject are given an opportunity to do so.

Mr. Harkness: I understand that the Leader of the Opposition wishes to make a speech on this item but it is not possible for him to be here this afternoon. The hon. member for Trinity requested that we allow this item to stand on the understanding that the Leader of the Opposition would be given an opportunity to speak. I think it must be understood too, that I must have an opportunity to reply if I think that is necessary. We would then go on with the other items. I should like to get the agreement of the committee to that course of action, however.

Before actually going on with the other items, I should like to comment on the various points that have been made by members in this debate and to answer the questions which have been asked.

Mr. Pickersgill: Before the minister does that, and if no one else has any specific point to raise about departmental administration, I have a point I should like to raise very briefly. Perhaps it might suit the minister's convenience if I did so before he speaks so that he can deal with this matter as well.

[Mr. Herridge.]

The Acting Chairman (Mr. McGee): I wonder if the hon. member for Bonavista-Twillingate would allow me to put the proposed agreement to the committee at this stage?

Mr. Pickersgill: Perhaps the chairman could allow me to continue for a moment. The point I was going to raise is important and has nothing directly to do with defence in the ordinary sense. It has to do with the administration of the Department of National Defence and of the armed services. I do not think they ought to be mixed up. I would not want to mix it up with any question directly related to defence. If it were understood that every other hon. member of the committee who wished to raise points on this item had concluded, then that would be fine with me. I think it would be distracting to have this question mixed with the defence debate.

I can say right off that it has to do with the use of the armed forces in firefighting. Everyone will see that is not directly related to defence, but this is the proper item under which to raise it.

The Acting Chairman (Mr. McGee): What I propose to do is to obtain the consent of the committee to the proposal put forward by the minister which is, in effect, that the administrative item will stand following the remarks of the hon. member for Bonavista-Twillingate. Then in effect there will be two further speeches on this item, one by the Leader of the Opposition and one in reply by the Minister of National Defence. Is it the pleasure of the committee to accept that proposal, subject to the remarks which the hon. member for Bonavista-Twillingate made?

Mr. Pickersgill: It may be the case that there might be other hon. members who would wish to say something about the subject which I am going to open. What I should like the minister to do is this. This morning I asked a starred question which was answered by the parliamentary secretary. When he replies I should like the minister to explain precisely what the basis is on which aid is given by the Department of National Defence in the fighting of forest fires and what the basis is on which financial charges for that purpose are made. Before entering on that subject, however, I feel I should recall the fact that on June 24, I asked the Prime Minister a question about forest fires in Newfoundland and the Prime Minister directed the question to the Minister of National Defence who made this reply, as found at page 6988 of *Hansard* for that day:

Mr. Speaker, I received information just before coming into the house that Newfoundland has asked for help from the Royal Canadian Navy and the R.C.A.F. They have asked for both personnel and

vehicles to fight forest fires in the vicinity of the northern portion of the St. John's area. Eastern command Halifax has instructed the Newfoundland area commander, Brigadier Morres, to make arrangements to honour the request to every degree feasible by the resources of the R.C.N. and R.C.A.F. that are there and able to be used.

Then I made this comment:

Mr. Speaker, perhaps I might be permitted to thank the minister for his reply and say that I am sure his attitude will be greatly appreciated.

I should like to say that more than once during the summer I happened to be in the area in which both the naval helicopter and the air force helicopter were operating and to see the work of the personnel. Nothing could have been finer than the efforts they made under extremely difficult circumstances indeed. There is no doubt whatever that without the help provided by the R.C.N. and the R.C.A.F. it would have been impossible even to keep the fires in check to the degree they were kept in check. As is well known, on that terrible Thursday when, because of a sudden change in the weather, it began to look as though the whole of the eastern side of Newfoundland was going to be burned up in three or four new fires that had got started a day or two previously and the government of Newfoundland felt that they must appeal for help on a much larger scale and the premier made an appeal to the Prime Minister the response was immediate. The work done by the army personnel, of which I saw something while I was there—I visited the camp at Gander bay and saw a good deal of what was being done—was excellent and was greatly appreciated, I am sure, by everyone in Newfoundland. It so happened that the day after the troops were sent in, fortunately there was help not merely from the national defence department but from Providence; and I am bound to say that the providential rain contributed even more to the checking of the fires than did the armed forces, although their help was certainly greatly appreciated.

Mr. Harkness: The hon. member might be interested to know that we in the cabinet attributed that providential rain to the prayers of the delegation that we sent over, particularly those of the cabinet member for Newfoundland and the Minister of Northern Affairs and National Resources.

Mr. Pickersgill: May I say that their prayers must have been answered before they got there because the rain started before they arrived. As a matter of fact, I will not soon forget that day. I had arrived in Clarenville, making a vain attempt to get to St. John's in the middle of that Friday afternoon when the troops first arrived. I could not get any farther because Clarenville was filled completely with smoke and the road east was closed. I spent about three hours in Clarenville when nearly everybody was leaving the place not knowing exactly where to go or where the fire was.

Mr. Hamilton (Notre Dame de Grace): Just like the House of Commons.

Mr. Pickersgill: I might tell the committee that the fire in question the night previous had been ten miles from Clarenville. It is extremely hard to imagine that a fire, in an area which is not heavily wooded, could move eight miles, as that fire did, in the course of a single day. However, that is what happened.

I think the facts of this situation are not nearly as well understood as they perhaps should be. For two successive summers there has been virtually no rain in Newfoundland and during last winter the ground froze before the snow came. The result was that when the snow melted there was a quick runoff and the ground was drier than anyone who had seen Newfoundland only before 1960 could have believed was possible in that province. I am not amazed that there were as many fires as there were. I am really amazed that there were not even more of them. I think it says a good deal for the care that was taken by the whole population that there were not more fires and that most of them were kept in as good control as they were kept. However, there is no question whatever that, without the rain that came on that particular week end, while the troops might have saved a few settlements they would not have been able to do anything more to stop the fires in the forest any more than were those people who had previously been fighting them. However, the two things—the arrival of the troops and the rain—happened fortunately to coincide, although there have since been outbreaks. It is really very sad but each time the rain comes and even in spite of heavy rain, the ground is dry again within half an hour because there is just no moisture in the soil, and the rain evaporates so rapidly.

However, to come back to the point about which I am really concerned, may I say this and I think there will be a good deal of surprise about this situation. I know that most people I have talked to were surprised to discover that although the federal government acted with the greatest possible promptitude when requested to do so on both occasions and everybody has the greatest possible gratitude for that fact I think there is a good deal of surprise not only in Newfoundland but on the mainland when people realize that this assistance is not a national service given in a national emergency but is something that has to be paid for. It is

true that not the whole of it has to be paid for, as was pointed out by the hon. member for St. Lawrence-St. George in answer to a question this morning, but there is a considerable charge. I feel that the committee would wish to know what this charge is, what the basis of it is and what is behind it.

I think every sensible person recognizes the fact that the armed forces cannot be at the beck and call of every local authority or even every provincial government every time a house burns down and that there must be some reasonable safeguard against that sort of thing. However, we know that there have been other kinds of disaster in this country, even this year, in which the greatest possible generosity was shown by the federal authorities at the cost of the national treasury. The loss in this particular case—I refer to the case of the fires this year—in the province of Newfoundland is in some respects a loss that is going to go on as far ahead as the human mind can conceive because what has happened in part of that area—and happily only in part of it—is this. The situation is not just that the trees have burned. It is not just that the forest has burned. The situation is that the soil, or what there was of it, has also all burned. What is going to happen to a good deal of the cape Freels peninsula, is that when the winds come the ash will be blown away and there will be nothing left but bare rock. Then we will have to think in terms of geological time before anything will ever grow there again, except perhaps a little moss and maybe some blueberries. This is a really tragic loss of our forest resources.

Happily, in many other areas the fire raced through so fast that only the foliage on the trees was burned. The wood can be salvaged and the land is still there. But it is a tremendous blow to the province. I am not seeking in any way to be controversial or critical; I am merely seeking to get all the facts. I hope that when all the circumstances are taken into account, whatever the practice may have been in the past, the government will come to the conclusion that this was a matter of such national importance that it would not be appropriate in this particular case, in this particular circumstance, to follow the practices of the past. I hope the government will consider that whatever the armed forces may have done in Newfoundland should be regarded as a national contribution to that province in the face of a great disaster that is going to cost the province a great deal in its budget this year, taking into account the other measures it has taken to fight the fires. Unhappily—and this is the worst part of it—it has taken away the livelihood of a large number of our citizens.

[Mr. Pickersgill.]

Mr. McGrath: Mr. Chairman, would the hon. member permit a question before he resumes his seat? I do not mean for a moment to minimize the magnitude of the fire and the tragic consequences to the province. Perhaps the hon. member would enlighten me and the other members of the committee by telling the committee why—I am sure the hon. member knows this, because he is very close to the government of Newfoundland—the government of Newfoundland waited at least three months before asking for federal aid which was obviously ready to be given?

Mr. Pickersgill: I do not know whether federal aid was ready to be given. The hon. gentleman may know more about this matter than I do. I do know that aid—as I indicated from reading *Hansard*—was asked for and provided as early as June 24. I think the fires only started about June 15. That aid was given continuously from that time on. Therefore the hon. gentleman's observation about three months seems to be rather a miscalculation.

I know there has been an effort made in certain quarters to suggest that more aid should have been asked for earlier. I was there all summer. Of course, I am only a member of the opposition. There is a member of the government from Newfoundland. I believe the minister came to Newfoundland just after the troops came there.

It would appear to me that if this aid was ready, and if in the opinion of the hon. member for St. John's East it should have been sent earlier, perhaps that same opinion should have been shared by the hon. member for St. John's West, who is a member of the government. Perhaps the aid should have been offered, instead of the hon. gentleman staying here until a request was made.

I do know that the government of Quebec did not wait to be asked; they offered help and they sent help. The government of Ontario did not wait to be asked; they offered help and they sent help. I have not sought to be provocative and controversial, and I do not think I will allow the hon. gentleman to draw me into any kind of controversy about this matter. But I think the question of sending for the army was perhaps bound up with this question of what it was going to cost, and what burden it would be upon an already heavily burdened provincial treasury, burdened with the unexpected costs—and they are going to be very considerable costs to the treasury—of the firefighting that had already been done.

I do know that the aid was requested after the Gander fire started—which was only two days earlier—after the Glenwood fire

started, which was only two days before, and after the Dunns river fire really got out of control, which was only one day before.

It was only then that there really did seem to be a great crisis, and immediately there seemed to be a crisis the additional aid was sought. Up until that time, as the hon. gentleman knows if he was in Newfoundland —or, indeed, he ought to know—there were only two fires that were causing much concern. One was the fire in Bonavista north—and even if we had had the whole Canadian army in Bonavista north, that fire could not have been stopped in the forest after it really got going late in July.

Notwithstanding all the disadvantages of weather, it is a remarkable thing that not one life was lost. It is also a remarkable thing that only a very small number of houses were destroyed in the settlements, which until the rain came were the only places where the fire could be fought, where there were roads and facilities and where it was possible to fight it.

I travelled back and forth in this fire devastated area three or four times during the summer at various stages, and at every stage people, with good reason, felt it could be brought under control if the weather became favourable. But the weather continued to be increasingly unfavourable. The wind would blow first from one direction and then from another in a way that has never happened, I think, in anybody's experience in the summer in Newfoundland.

That fire could not have been stopped under those conditions. It might have been stopped at the very beginning but it certainly could not have been stopped at any time in late July or early August.

Mr. McGrath: Joe "goofed", and you know it.

Mr. Pickersgill: The hon. gentleman was not heard in Newfoundland to say or do very much about this matter. I do say that it would have been a tragedy if we had not had the help—and I do not wish to disparage that help in any way—and it would be unfortunate if the overburdened taxpayers of Newfoundland, with all the difficulties they have to face, have this added burden laid upon their shoulders.

The Deputy Chairman: Shall item 232 carry?

Mr. Harkness: Mr. Chairman, I feel I should perhaps comment briefly on some of the statements made and on some of the questions asked during this debate. The hon. member for Trinity seemed to devote the major portion of his remarks to his own appreciation of the defence policy being followed in the United States and the strategy being followed by the United States. It was quite apparent from his remarks that he was labouring under a great many illusions and I wondered if he was also labouring under the illusion that he was speaking in the American congress rather than in the Canadian parliament.

Mr. Hellyer: Very funny.

Mr. Harkness: He gave his appreciation or his understanding of what was the defence policy and strategy of the United States. Unfortunately for him this does not agree with any of the written statements, or the general tenor at least of the written statements of the members of the defence department of the United States, the chiefs of staff and the leading generals of that country. Also it certainly does not agree with any of the information which they have given to me in various talks I have had with them. In other words, the picture painted in that regard by the hon. member for Trinity is, I think, a highly imaginative one, conjured up by himself and does not bear a very close relationship to the facts. The reason I mention this at all is that on the basis—

Mr. Hellyer: On a question of privilege, Mr. Chairman, the minister has just alleged that my statement did not bear any relationship to the facts or any written statements from any of the senior officers of the United States, and so on. The picture as I painted it was based on authoritative statements from the commander in chief of the United States armed forces. The minister should have read these statements so he would know what is going on.

Mr. Harkness: Mr. Chairman, this is not a question of privilege; it is actually a matter—

Mr. Hellyer: It is keeping you from distorting things again.

Mr. Harkness: —of consulting a large number of statements. If I had the time, I could demonstrate in detail that what the hon. member sought to convey as the general policy and strategy of United States is not very closely in accordance with the facts of the situation.

Mr. Hellyer: Then that is what you should do, instead of making broad statements.

Mr. Harkness: I mention this because on the basis of his improper and incorrect appreciation the hon. member then adduced a number of arguments. It is a well known fact

that if your premises are wrong your arguments are bound to be wrong. That is the unfortunate position in which the hon. member left himself.

Let me deal with some of the remarks in which the hon. member engaged. As reported at page 8230 of *Hansard* of September 12, the hon. gentleman said:

> It is interesting to note that in the long list of priority items presented by President Kennedy to congress on March 28 last there did not appear one of the major items on which the Canadian government is relying. Not one American penny for the Voodoo, the F-104, the Bomarc or the Honest John. The Canadian defence department has become a pawnshop for second hand American hardware.

I deeply deplore that the hon. member has in this debate and on other occasions attempted to convince the Canadian people that the equipment possessed by the Canadian forces is inferior, obsolete and outdated. I submit that the hon. gentlemen has been doing a very serious disservice to the Canadian forces, to the Canadian nation, to NATO and to the western position generally in attempting for political purposes to present an absolutely false picture in that regard. The equipment of the Canadian forces is excellent. The Canadian forces themselves are splendid. Every NATO commander we have ever had at various levels who has had experience with the NATO troops in Europe, both the air division and the brigade group, has stated that there were no better troops than those of Canada and that the equipment was tops. This attempt for political purposes to discredit the equipment and efficiency of the Canadian forces is a highly deplorable thing.

In connection with the specific allegation made that none of these weapons we have secured is on the priority list of items presented by President Kennedy, let me say that the fact is that this was a supplementary list which was presented by the president.

Mr. Hellyer: Supplementary and priority.

Mr. Harkness: It did not call up funds for articles which were already funded. The Bomarc and the Honest John were completely funded. The same is true of the Voodoo. As I said yesterday the production run ended in December 1960 although tooling is still available for it. It did not call up additional funds for the F-104 as this was also funded. What the hon. member did not point out and what is more important is this. The list of priority items was accompanied by a list of items which were to be deleted from the defence program. I should like to stress the fact that not one item relating to the air defence of North America was recommended for deletion by the president. The hon. member is therefore completely incorrect in making statements to the effect that this department had become a pawnshop for secondhand American hardware. The hon. gentleman should be thoroughly ashamed of his attempt to create the impression that all these weapons are obsolete and worthless.

Mr. Ricard: Do not ask for too much.

Mr. Harkness: In that connection the hon. gentleman also took to himself the credit of being the father of what he said was a great change in the United States defence picture. Apparently the president and other people in authority took under consideration the hon. member's policy speech of last year and put his recommendations into effect so far as the United States is concerned. As I said, apparently the hon. member suffers from many illusions. This is not the least of those illusions.

To begin with, Mr. McNamara, American secretary of defence, made it clear when he appeared before the congressional committee that there had been no great reversal in the United States program as the hon. member would have us believe occurred. Let me read what Mr. McNamara said on the subject:

> There may be many possible situations in which it would not be advisable or feasible to use nuclear weapons. What is being proposed at this time is not a reversal of our existing national policy but an increase in our non-nuclear capabilities to provide a greater degree of versatility to our limited war forces.

Mr. Hellyer: Exactly.

Mr. Harkness: Yes, exactly. It was not a reversal.

Mr. Hellyer: A change of emphasis.

Mr. Harkness: Let us now examine the extra amount of money which was asked for by President Kennedy. The sum was $2,703 million. Of that sum, $1,856 million or 68.6 per cent was for strengthening the nuclear deterrent and $717 million or 26.5 per cent was for strengthening the conventional forces. I mention this merely to indicate that the hon. member appears to have completely misunderstood what the defence policy of the United States is and what they have been doing there. That, of course, I think is symptomatic of the various statements and allegations the hon. member made throughout his speech.

The hon. gentleman and other members of his party have been going about the country talking about the Liberal defence policy. The hon. member for Trinity made reference to it yesterday. I submit there is no such animal.

At the Liberal rally last January the Liberal party got itself into a terrible mess with respect to defence. It adopted one thing, threw it out and then adopted something else. The entire thing ended in confusion. Since that

time no one has really known what the position of the Liberal party is with respect to defence or where the Liberals stand in the regard. The Leader of the Opposition realizing the mess the Liberals were in with respect to defence as a result of the January rally, has been crossing the country making speeches in which he has withdrawn and changed the position taken at the January meeting. Every time the hon. gentleman makes a speech the position changes. I have followed this rather closely because, after all, I am the minister of this department and I am curious to know what the policy of the opposition is. The only thing I have ever been able to ascertain about Liberal policy in this respect is that it changes each week.

Mr. Hellyer: Perhaps the minister cannot understand the policy.

Mr. Harkness: It is impossible to know from week to week what the policy is. Of course, I was not at the January meeting.

Mr. Pickersgill: Really?

Mr. Harkness: A very good summary of what transpired at that meeting was carried in the January 13 issue of the Halifax "Herald" in an article written by a newspaperman who was present to observe the situation at that meeting with respect to defence. The article reads:

> Within the three days, the assembled delegates, or committees of them, proposed the country be taken out of the North American Air Defence Command (NORAD), then put it back in again and finally favored it being left half in and half out. And it was practically the same with the problem of what to do about nuclear weapons. When the delegates started heading back for home yesterday and were able to find time to collect their thoughts, many undoubtedly were still wondering just where their party stood on many aspects of these issues.

I have no doubt they are still wondering. Everyone else is wondering too because, as I say, the policy changes practically from week to week.

One military commentator who was quoted yesterday by an hon. gentleman opposite had the following to say in connection with the position of the Liberal party with respect to defence. This is to be found in the February 1961 issue of the Canadian *Commentator* in an article by John Gellner:

> This month's Liberal party rally has provided a dismaying example of what must happen if a military problem is resolved entirely on the basis of political considerations. The problem in question was that of Canadian participation in the North American Air Defence Command (NORAD). The resolution, as it was reported, suffers somewhat from confused terminology—it approves "identification" of suspected aerial intruders by Canadian fighter aircraft, but not "interception", although the former action is not possible without the latter. Still, it is quite clear what the stand is which the Liberals are taking in this matter: They want to leave all arrangements as they are except that Canadian forces in NORAD would not actually shoot. In other words, we would warn the Americans that the enemy was coming, we would tell him who he is, we would fix and track him, but then we would virtuously withdraw and let the Americans do the killing. This is a solution worthy of Pontius Pilate, not of a Lester B. Pearson and his associates.

I think this is a very good summing up of the position taken on defence at the Liberal meeting and is one of the great reasons why everybody has been in doubt on it since. Gellner goes on in this way:

> The policy which the Liberal party has adopted in this matter does not even make sense.

That is the situation. Until the Liberal party itself produces something that makes sense I really do not think we should spend too much time discussing its deficiencies.

The hon. member for Peterborough of course made a speech in favour of peace. Well, we are all in favour of peace and nobody will quarrel with him over his desire to attain peace; but I must say to him, in the language of a gentleman who is well remembered in this house, the Hon. Humphrey Mitchell, "in a kindly way", that I do not think he had very much to say really about defence. Therefore I have not very much that I can say about his contribution to it.

There is only one point really that I should touch on. He said we should have a mobile force capable of taking action in any part of the world under the United Nations. Well, of course, we have it. We have had it right along. We have been in the position for several years that whenever the United Nations made a request to us for a force we filled that request. The only way in which we can be in a position to meet any requests along this line that the United Nations may make is to have an army in being. We have got to have people trained in all arms, particularly people in the engineers, RCEME, signallers, and so forth. If you have a balanced army of that kind, in which you have all arms, when you are called upon to make a contribution to a force in NATO you are in a position to make it and make it immediately. This is the only way in which it can be done.

Up to date, every time the United Nations has called upon us to supply a force it has been a different type of force, and the only way we have met those demands, as I say, is by having a force of all arms, and having it well trained. Then when a demand is made on you you can meet it. We are in that position and have been in that position for some time past. This is a proposition which is stated very frequently as if it were something that did not exist and something that we should produce, namely a force for

the U.N. Well, as long as we have a standing army, as we have, then we can produce the force that the U.N. may require from us, within the limits of that army, of curse, at very short notice whenever we are asked, and up to date that is exactly what we have done.

The hon. member for Peterborough did not say much about NATO membership. The hon. member for Kootenay West went into it to some length. I would just like to say there is no doubt at all that the New Democratic party—is that the name of it?—is in a very equivocal position so far as NATO is concerned. The C.C.F. party, of course, condemned NATO. They said that we should get out of NATO and it should be done away with. They condemned NORAD. They said that we should reduce our armed forces very materially; that we should devote the money instead to foreign aid. In other words theirs was a pacifist and neutralist position, although they always denied that this was so, but in effect this is what it was. It called on Canada to get out of NATO, to get out of NORAD, but it was a definite position; it was one that you could understand, and if you accepted certain premises it was one for which I think you could argue. The hon. member for Kootenay West was a strong proponent of that position and he indicated in his speech today that he still believes in it, but he is in the unfortunate position of supporting a party that does not believe in it and therefore I sympathize with him.

The New Democratic party came about as a result of the union of the C.C.F. and the labour union people. The labour union congress, of course, takes a totally different view from the C.C.F. They believe in NATO. They say we should belong to NATO. As a matter of fact, I have here the two latest issues of the official labour magazine, the Journal of Canadian Labour Congress. Mr. Jodoin has an article in one and Mr. MacDonald has an article in the other. They both say that NATO must be supported; that we must remain in NATO; they condemn neutralism and so forth. I will not bother reading these various articles. Anybody can get these magazines; in fact I shall be glad to lend them to the hon. member for Kootenay West, if he has not read them, so that he may learn just what the attitude of the labour party is toward NATO.

Mr. Herridge: I have copies.

Mr. Harkness: If the hon. member has them I wish he would pay attention to them because the position taken by the labour party is pretty realistic; whereas the position taken by the C.C.F. and gentlemen like the hon. member for Kootenay West has been anything but realistic.

[Mr. Harkness.]

However, we have these two divergent views. There was a great argument at the founding convention of the New Democratic party, and as a result of that they came up with what I expect was looked upon as being a compromise, something along that line. It was essentially this as reported in the newspapers at least, that if NATO as a whole or individual NATO members are to control nuclear warheads, then Canada should make it clear that she cannot remain in the alliance, and should get out and so forth. Well, the people who produced that resolution either were completely ignorant of what the situation in NATO is or they were trying to hoodwink the people who were at that conference as well as the Canadian people. Because it is a well-known fact that NATO accepted a nuclear strategy back in 1954.

Mr. Martin (Essex East): A tactical weapon.

Mr. Harkness: No. They accepted a nuclear strategy in 1954. They have made affirmations about it, which are matters of public record, on numerous occasions since. Various countries in NATO have entered into bilateral agreement with the United States and as far as having nuclear weapons on their soil is concerned, they have them available under the command of the NATO commander for use and so forth. In other words, NATO has been a nuclear power in effect for years and NATO adopted a nuclear strategy. Therefore, this proposition that if NATO as a whole adopts nuclear weapons, or any of the countries individually, that Canada should not belong to it, is contrary to the situation which exists. This has been the case right along and this resolution which was adopted by the New Democratic party is merely eyewash. It is merely a means by which the people there were deceived and the country generally; or otherwise the people who drafted this did not know anything about NATO and did not understand NATO. This matter is very clear. I hold in my hand the North Atlantic Treaty Organization handbook of 1959. It has in it various resolutions that have been passed in different years. Here is one, for example. It is the text of the declaration and communique of the December, 1957, ministerial meeting of heads of government. It states this, in connection with countering the Soviet threat, both nuclear and conventional:

> To this end, NATO has decided to establish stocks of nuclear warheads, which will be readily available for the defence of the alliance in case of need.
>
> In view of the present Soviet policies in the field of new weapons, the council has also decided that intermediate range ballistic missiles will have to be put at the disposal of the supreme allied commander Europe.
>
> The deployment of these stocks of missiles and arrangements for their use will accordingly be

decided in conformity with NATO defence plans and in agreement with the states directly concerned. The NATO military authorities have been requested to submit to the council at an early date their recommendations on the introduction of these weapons in the common defence. The council in permanent session will consider the various questions involved.

As I say, NATO has had a definite nuclear strategy for all these years and therefore this is in complete contradiction of the resolution passed only two months ago, I believe, by the New Democratic party. According to the resolution passed by the New Democratic party, we should have been out of NATO several years ago. The thing is nonsense. It is just nonsense of the worst kind.

I have been surprised that this has not been pointed out long before now by some of the newspapermen who attended the convention, because it is a self-apparent fact that the resolution just does not make sense.

In addition to the official handbook of NATO which makes the position quite clear, it has also been made known in the newspapers on numerous occasions—I have some quotations I could give but I do not think I will take the time—that a number of NATO countries have made bilateral agreements to have nuclear weapons on their soil, which they now have, and to exercise joint control of such weapons with the United States. There are several countries of NATO in which that is the situation. Therefore when members of the New Democratic party and other people say that Canada should not be the first to join the nuclear club meaning the three countries who are actually producing nuclear weapons, the United States, Great Britain and France, they are not stating the situation correctly at all. Several countries have already, as these people refer to it, joined the nuclear club. Nuclear weapons have been placed on their soil and are there. I think certain matters along this line should be made clear because there seems to have been a great deal of confusion in the minds of many people as to what the actual situation is.

There was another point mentioned by the hon. member for Burnaby-Coquitlam in the external affairs debate which I think I should clear up because great confusion has been caused. He said that there were so many tons of t.n.t., ten tons or something like that, in the nuclear stockpiles of the United States and Russia for every man, woman and child in the world, and surely we did not need any more because this was enough to blow up the whole world. The whole point is that you might have enough nuclear power in a stockpile in a particular spot in Russia to blow up the whole world a hundred or a thousand times over but if they do not have the means of delivering that nuclear power it does not do them any good. In fact, it can only serve as a potential danger to them.

In other words, the important thing in connection with nuclear weapons really is not the total number that you have some place in a stockpile but the means of delivery that you have for those nuclear weapons. As I pointed out in the speech I made and as I have pointed out on numerous occasions during the past several months, the Russians have not, as a lot of people are always attempting to show, an unlimited number of rockets and intercontinental ballistic missiles. In fact, they have a very limited number of intercontinental ballistic missiles capable of delivering nuclear weapons to this continent. Actually their chief means of delivery at the present time would still be by bomber and would have to be by bomber.

I mention this point particularly because I see letters and articles in the newspapers all the time. I recall one particularly in which it was said that a thousand of these nuclear weapons will be landed in Canada by intercontinental ballistic missiles. This is a complete impossibility. I am afraid that many of the people who are talking this way are doing so with the deliberate idea of trying to scare people and frighten them into adopting a pacifist or neutralist attitude. In other words, this is really a means of carrying to the Canadian people the terror tactics of Khrushchev. Khrushchev is talking about creating a 100-ton megaton bomb and dropping it on us. This is a terror tactic and we must recognize that it is a terror tactic. When he does this a lot of people in this country say, "Well, you know how much damage was done by the bomb dropped on Hiroshima which was only one fifth of 1 per cent as large and if one such bomb were dropped on Ontario the whole of the province would be wiped out".

A certain gentleman who writes letters to the newspapers has complained about the fact that he predicted such a bomb would be produced and that some of the papers had scoffed at him, and that I had scoffed at him. The important point in this connection is that the destructiveness of such a bomb does not increase directly in relation to its size. In fact, it is on the basis of the square of the cube root of the distance or something along that line. In any event, to put the matter in terms that people can understand I had our experts on these matters produce a little table for me. Let us take a 20 kiloton weapon. It has a certain power of destruction. The area of complete destruction is 1.1 square miles and the radius of complete damage is 2.2 square miles.

My arithmetic is not very good but let us take a weapon a million times larger. To make

it simpler, let us take a five megaton weapon and a 100 megaton weapon. With the five megaton weapon you have a radius of complete destruction of 3.9 miles while in the case of the 100 megaton weapon it is 10.5 miles. It is not 20 times as great; as a matter of fact, it is not quite three times as great. This point has to be kept in mind. The area of complete damage in the one case is 47 square miles and in the other case it is 346 square miles. The area of damage of all kinds, light damage and so on, is in the one case 610 square miles and in the other case 3,900 square miles. The area of dangerous fall-out in the case of the five megaton bomb is 2,500 square miles and in the case of the 100 megaton weapon it is 8,000 square miles.

I mention this because of the fact that the Khrushchev terror tactics of threatening to drop these 100 megaton weapons on people are being helped, I think, by a lot of people in this country who automatically take it for granted that if a one megaton bomb does so much damage a 100 megaton bomb will do 100 times as much. This is not the case and, as anybody who is familiar with explosives knows, the force of the explosion dissipates quite rapidly, with distance. I think we should know what the actual facts are. The people of Canada are entitled to know what the actual facts are in connection with these matters and those people who are trying to persuade them to accept something which is incorrect should themselves be exposed to the truth if they are not already aware of it.

The hon. member for Fort William spoke about the need for an armoury at Fort William. We are well aware of the need for armouries throughout Canada. There is a long list of places which need armouries and we would like to build them. However, armouries do no come very high on the priority list. There is only a certain amount of money available for defence and it is not possible for us to build all the armouries we would like to build. We have an armoury construction program under which we built a certain number of armouries, but nothing like the number that are being requested. In so far as Fort William is concerned, however, one of the companies of the Lake Superior regiment has recently been moved from Port Arthur to Fort William and hired accommodation has been acquired for them. This is not entirely satisfactory, but I think it will meet the need to some extent at any rate.

The Deputy Chairman: I am sorry to interrupt the minister, but his time has expired. Has the minister completed his answers?

Mr. Harkness: No, I have a few more questions to answer.

[Mr. Harkness.]

The Deputy Chairman: Does the committee give the minister leave to continue?

Some hon. Members: Agreed.

Mr. Harkness: The hon. member for Leeds stated that the members of the House of Commons and people generally were in ignorance of whether or not United States airplanes carrying atomic weapons were flying over Canadian air space. This is a matter that has been dealt within the house on a number of occasions. On June 3, 1958, at page 781 of *Hansard*, the Prime Minister made a fairly lengthy statement on the subject. Several other statements have been made since, referring to this statement, and indicating the situation is the same now as it was then and as it was before this government took office.

I should like to read a part of the statement made by the Prime Minister. It is quite lengthy and refers to questions asked and statements made previously in regard to it. The Prime Minister said:

> In the passages to which I have referred the house was informed that United States bomber aircraft carry nuclear weapons over Canada only with prior permission from Canada; that each flight is dealt with separately by specific application, and there is no blanket authority; that the weapons are inactivated in order to avoid the possibility of accident; and that the procedures being followed are unchanged from those which had been instituted by the previous government.

This is still the situation. When the hon. member for Leeds said the members of the house do not know what the situation is—well, he is a new member and perhaps has not heard of this statement but there is no reason for anybody here not knowing what the situation is. It has been outlined on several occasions.

The hon. member for Sherbrooke gave an interesting speech on civil defence and proposed the building of underground garages which could be used as shelters. This is something which does not come under this department. He has put the matter on record and I will be glad to refer it to the Minister of Public Works and others who may be concerned.

Mr. Martin (Essex East): The minister is surely one of those under whom civil defence comes. It comes under three ministers, including certainly the Minister of National Defence.

Mr. Harkness: Civil defence is not the proper term with relation to what comes under this department. We are concerned essentially with survival operations.

Mr. Martin (Essex East): Do shelters come under the Prime Minister?

Mr. Harkness: The entire emergency measures organization comes under the Prime

Minister and the privy council office. All the emergency measures, civil defence measures, survival measures and so on, are co-ordinated through that office.

The hon. member for Burin-Burgeo asked about ideological and psychological warfare and what was being done in this regard. I recognize, as he does, that perhaps there is some need for something more definite being done along that line. We have not any ideological or psychological branch in the Department of National Defence. This is, I think, something which, if it were done at all, would have to be done by some other department or by the government as a whole.

He asked about hydrofoil vessels; they have of course, been under study for a number of years. It just so happens that there was a release by the Department of Defence Production on this very subject on September 8, in which it is stated:

> There is a long history of Canadian hydrofoil craft design effort dating back to Alexander Graham Bell's design which exceeded a speed of 60 knots at Baddeck, Nova Scotia, in 1919. In recent years, Canada has been active in the hydrofoil area through studies conducted by the defence research board at Halifax, Nova Scotia.
>
> Current technological advances in such areas as lightweight high strength alloy metals and gas turbine power plants, now make feasible the construction of much larger hydrofoil craft than could have been contemplated in the past. These advances form the basis of the present study.

In other words, we have been carrying on the study of hydrofoil craft for a considerable time and their use as anti-submarine craft. We are going ahead with this study in connection with which this announcement was put out because we are working in close co-operation with industry.

Then, the hon. member made some comparison between the costs of defence in Sweden and the cost of defence in Canada, at which time there was a reference to the rates of pay of the armed forces. Somebody asked him a question with which he had a little difficulty in connection with the cost of living as it related to the pay differential between the two forces. Any comparisons along this line, I believe, are extremely deceptive. They depend on so many factors which may vary greatly from country to country. The hon. member mentioned particularly the submarines which Sweden had. Well, they are getting some small submarines which take only a few people to man. However, these submarines are useful only in coastal waters and in narrow seas. They would be no good for our purposes because we have to hunt submarines out on the wide Atlantic. Once again, this comparison is not valid.

I think the hon. member said that the Royal Canadian Navy destroyer escorts were not good enough to deal with the latest type of submarine; that they were not going to be any good in a limited war. This is not correct. The anti-submarine vessels we have are just as good as any that exist. They are recognized, as a matter of fact, as being the finest of their kind in the service of any navy in the world. Shortly they will be fitted with helicopters which will extend their range of operation and enable them to deal with the greater speed of some of the modern nuclear submarines. In this way these vessels will continue to be extremely effective.

I have a few more notes here, but time is passing so I do not think I will mention too many other points. The hon. member for St. Jean-Iberville-Napierville made some statements, and the associate minister will deal with those. The hon. member for Renfrew North spoke about the hospital at Petawawa. The situation is that this is one of the areas in which the department was asked to put up extra money to help pay the cost of the local hospital. We did this in one area he mentioned, namely, Middleton, Nova Scotia because of the percentage of military dependent personnel that came into that area. It was in excess of 10 per cent of the population, and thus constituted an undue load on the municipality. A number of places have asked for that same sort of thing. Any place where the percentage of military dependents does not bring the total population up more than 10 per cent beyond what the general level was, we have not paid a grant because we do not think it is justified. As far as these people not paying their way is concerned, just the same as any other citizen, there is nothing in that suggestion. Of course they pay their way. They pay rent and through their rents they pay taxes, or otherwise they buy houses and pay taxes. They contribute to the upkeep of local hospitals just the same as does any other person who comes into the area, whether he comes in there to be a barber or butcher or whatever it may happen to be. To try to segregate the military personnel and say that they do not pay the general cost, of course, is to do something that just does not stand up. They help to pay for all of the hospital services and everything else just as does any other resident in the municipality.

As to the hon. member for Kootenay West, I have already dealt with his position on NATO. I may say that I deplore his attempt to stir up and play on anti-German feelings. I do not think this sort of thing does any good whatever. In fact, I think it does a great deal of harm. On this basis, I could go about the country in various areas making speeches and stirring up hatred against almost every national group we have in the

country. In fact I could go to certain Highland communities and stir them up. My own family is Scotch.

Mr. Martin (Essex East): Be careful.

Mr. Harkness: I could stir up one clan against another clan just in one small part of the country. Therefore, as I say, I deplore this matter of attempting to stir up, to play on and to try to get advantage in some way out of anti-German feelings, and things of that sort.

Mr. Herridge: Nothing of the sort.

Mr. Harkness: As the hon. member says, it is mischievous.

Mr. Herridge: Mischievous to talk against Heusinger?

Mr. Harkness: The hon. member asked me how Heusinger was chosen?

Mr. Herridge: Yes.

Mr. Harkness: He was chosen by a committee consisting of the chief military officers of each of the NATO countries. In other words the 15 chief military officers of NATO constituted a committee and various nominations were made to that committee. General Heusinger received the majority support and as a result was appointed. As it happens, the chairman of the committee at that particular time was Earl Mountbatten. The chairmanship rotates from country to country. That is the whole story of General Heusinger's appointment.

Mr. Herridge: I do not support it and many other people do not support it even in Germany.

Mr. Harkness: The hon. gentleman may say he does not support it and that other people do not support it. However, I am simply explaining to him how it was made. That was the question he asked. He asked me how this appointment happened to be made and that was the way in which it was done.

The hon. member for Kootenay West stated that he and his party were against sending any more troops to Europe, that this was just a waste of men, that no new units were being sent, and that the people being sent over were only replacing troops from the combat units that had been taken out for administrative duties to be cooks, batmen and goodness knows what, according to the story. This is completely incorrect. This is not the case at all. First of all may I say that two new units are being sent. An Honest John battery is going to be sent. I think it takes 235 men. A light helicopter reconnaissance unit is going to be sent. It takes some 75 men. The other 800 men are required really because, contrary to what the hon. member for Trinity has said, the equipment of the brigade in Europe has been steadily built up and increased during recent years. The brigade was sent over there with one squadron of armour. It now has a full regiment of armour. One squadron of armour represents approximately 200 men. A full regiment at full strength represents approximately 800 men. That is a difference of 600 men right there. The brigade has been supplied with a great many other pieces of equipment since it went overseas, such as recoilless rifles and so on. It has been supplied with many more vehicles so that the whole brigade is mobile. They can all be put in the vehicles and moved at one time. That is why these extra men are required, not as cooks or batmen or to replace cooks or batmen. In other words the hon. member was speaking of what he knew not when he made that statement.

The hon. member for Vancouver Centre wanted to have arrangements made for members of the public to attend lectures on civil defence. He mentioned the example in Ottawa here. This is something which has been looked upon as one of the municipal responsibilities in civil defence. With the increased interest now apparent in civil defence I would hope that other cities will do the same as Ottawa is doing and put on these lectures for the general population in order to inform them of what the situation is, what can be done and to advise them in regard to it.

The hon. member for Bonavista-Twillingate spoke of the Newfoundland fires. We were all—and I think this includes everybody throughout Canada—extremely concerned over the fires in Newfoundland. We realize the tragedy that they cause and the terrific loss in resources that was caused by them. The Canadian government was extremely glad to render all the assistance asked for. The hon. member wanted to know the basis upon which we give assistance for forest fires. There is a laid down procedure of which the premier of Newfoundland and the ministers of the government concerned down there I think were fully aware. They were all written letters only about five or six months ago reminding them again of the procedure and pointing out that, if they required assistance, all that was required was that they sign a declaration to that effect, give it to the local military commander, the area commander as it happens in Newfoundland, and he was and is authorized at all times to meet that request up to the limit of the forces he has at his disposal. If he has not enough forces to meet that request, then he is authorized immediately to telegraph or telephone Ottawa to report the matter so that

authorization can be given to some other military commander in another military command such as that in Quebec, Nova Scotia or New Brunswick, to send men over. That is the procedure.

As far as the costs are concerned, may I say this. The costs which, on the normal basis, a province is expected to pay are not the pay and allowances. We charge nothing for that. But if there are any militiamen who are called out, then the province is expected to pay the extra pay and allowances for those militiamen. Then there are the transportation costs or in other words what it costs to bring the troops from the point at which they are located to where the fire is. Then there is the cost of equipment which is used up and lost, such as fire hose; or if there is a vehicle that is caught and burned in the fire and so on—any equipment which is used up or lost. Also it includes extra costs which may be incurred for lodgings, meals and things of that kind, whenever it is applicable. Generally it is not applicable. These are really a small portion generally of the total cost of the operation. As far as the government is concerned, there has been, as far I am aware, no discussion as yet with Newfoundland with regard to costs. There is a laid down procedure. Under the regulations the army commander, before he moves at all, is supposed to get a written demand from the premier or the designated ministers. In this case we did not wait for that. The premier of Newfoundland telephoned the Prime Minister here. The Prime Minister got in touch with me immediately. I gave the orders for the air force to commit the airplanes and for the army to get the troops ready. Then I telephoned the premier and asked him about equipment. He had not said a word about equipment. I said, "What equipment do you need?" and so forth.

This was the way it was done in this case. There was no mention of costs in this particular case. The army commander there subsequently went to the premier, explained the situation and asked him if he would sign the usual authorization. The army commander is required to do this under the regulations. I am sorry to say that the premier refused to sign it.

In any event, there has been no discussion of costs in this regard and I think this will perhaps be looked at from the general point of view of the size of the disaster, and so forth. Mr. Chairman, I do not think this is a matter I should go into further at this time.

Mr. Pickersgill: Perhaps the minister would permit me to ask just one more question. As the minister knows, a helicopter was lost. Happily, the crew and passengers of the helicopter escaped. I notice that if any equipment is lost, the user will be expected to pay for it. I doubt whether the minister would really expect the government of Newfoundland to pay for this helicopter.

Mr. Harkness: Under normal circumstances this would be one of the things for which the province would be expected to pay. There is just one other point in connection with this matter. I regret that some question was raised that the Solicitor General, the minister from Newfoundland, had not been doing anything in connection with this disaster. I can assure the hon. member for Bonavista-Twillingate and the committee generally that the Solicitor General was extremely active in regard to this matter.

He spoke to me on several occasions about sending assistance to Newfoundland. He asked what assistance they had, what had they asked for, and so on. I explained to him what the general procedure was, which I have already outlined to the committee, and assured him that we were willing to give further help just as soon as it was asked for. But we could not force our way into Newfoundland with this help. If we had done so we would no doubt have got into quite serious trouble with the provincial authorities.

Therefore I would not wish any implication or idea left that the Solicitor General was not taking an extremely active interest in this matter and was not expressing very great concern throughout the course of these fires in Newfoundland.

Mr. Hellyer: Mr. Chairman, I had not intended to participate in the debate at this stage, but in view of the minister's apparent confusion I feel I must do so. I realize that the minister has been travelling across the country making speeches, some of them causing considerable confusion in the country. I now realize the reason, which is very simple; it is that he is confused himself.

At the same time I will take advantage of the opportunity to reply to a few of the questions raised yesterday in speeches by the associate minister and the parliamentary secretary. I had thought of replying to some of these statements and allegations last evening, but unfortunately the associate minister was not here. I understand he was enjoying himself elsewhere on official duties.

First of all in respect of the suggestion of the minister this afternoon that the information I used was not official, let me again repeat that the information I used was from the highest source available. It was taken directly from a statement given personally to congress by the commander in chief of the United States armed forces. Surely there can

be no better authority on what is United States policy and on what are United States priorities than the commander in chief himself. I think the minister would agree with that.

An hon. Member: It was a supplementary statement.

Mr. Hellyer: Of course, the message to congress was a supplementary statement. It was to put into effect a supplementary program of high priorities required to bring United States strength up to the required levels. Emphasis was put on those particular projects which would best accomplish that purpose.

The minister is quite right when he says that of the total moneys allocated as a result of this message, the largest amount was for strategic weapons, for the carriers of atomic weapons. As the minister well knows, the United States carries the burden of strategic deterrence. At least 90 per cent of the total strategic capacity of the western alliance is the responsibility of the United States.

As I stated rather clearly, I thought, in my statement, they felt it was necessary to do something to augment that deterrent force and so the president recommended certain things to congress. The most expensive were associated with deterrents. But the president made it very clear that he was aware of the necessity, at the same time, to have a change in emphasis, to implement an increase in the conventional capacity of the United States and of the western alliance.

In respect of the four items of equipment to which I referred, they are all second-hand; not one of them was of sufficient priority to demand any more expenditure at this time. As a matter of fact, most of them are out of production. I will deal with each one briefly later on.

The minister said yesterday we should have the best equipment available. But the equipment we are getting is not, in all cases, the best available. Some of it is much less than that. I did not say that all second-hand hardware is useless.

Mr. Sevigny: What do you suggest?

Mr. Hellyer: I did not say that. I would hay, however, that second hand hardware is, in most cases, inferior to first class hardware. I think that should be obvious to my hon. friend across the chamber, if he would listen very carefully. The parliamentary secretary stated yesterday that the objectives of Canadian defence are two in number, to preserve the peace and to protect Canadian citizens. He further stated that the method of achieving these objectives is NATO. The parliamentary secretary is confusing the objectives with policy. There is no disagreement with respect to objectives; the disagreement is in respect of the means of achieving them.

Mr. Chambers: Mr. Chairman, there is going to be disagreement if the hon. member misquotes the objectives I mentioned.

Mr. Hellyer: I apologize to the parliamentary secretary. I think he is perhaps quite right. I believe those are the two objectives stated by the minister. I realized that in passing. If I misquoted the parliamentary secretary, I am sorry; but the same comment would apply.

Mr. Chambers: The objectives were the prevention of war and the preservation of freedom.

Mr. Hellyer: That is right. The comment still applies. There is no disagreement in respect of these objectives but the method of achieving them is open to considerable debate.

The associate minister made a number of complaints about my remarks in his speech. I should like to attempt to elaborate upon several of them for his benefit. First in respect to the increase in the armed forces, the associate minister questioned my figure of $10,000 per man. I was very careful to use the words contained in the blue book, "military personnel costs, operations and maintenance". Surely the associate minister would not say that additional forces would not mean an additional requirement for expenditures under the heading of operations and maintenance. They require heat and light. If they operate vehicles, they will wear out tires and consume gasoline. If they travel, they will have travelling expenses. Of course they will have most, if not all, of the same expenditures as the present members of the armed forces. I think his figure of the possible cost per man is much too low.

The minister then objected to my statement that the brigade did not have the fire power and mobility it should have. He said that it is mobile and equipped with the most up to date equipment that can be procured. Whom does he think he is kidding? He should take another look at the equipment and then look at some of the equipment which is now available in the world.

In the same vein the parliamentary secretary to the minister said that the brigade was moved bright and early one morning during manoeuvres before he arose for breakfast. However, he was careful not to tell us what it moved on. Did the brigade use rubber tired vehicles to move it on surfaced

highways? Did it use world war II personnel carriers? The parliamentary secretary did not say.

Mr. Chambers: I was not up.

Mr. Hellyer: If the parliamentary secretary would take the trouble to inquire, I think it would be of interest to the committee to know whether these are the vehicles used by the brigade or whether they have some new equipment about which we have not been advised. The hon. gentleman should know that in the event of war the enemy might be so thoughtless as to blow up some of the roads and there might be the requirement for a carrier to go across a lake or stream. How does he think they would cross, by submarine?

The associate minister then went on to say that the enemy is impressed by the strength of our forces and the determination which is being shown by NATO to defend our way of life. I do not know what communications the associate minister has with the enemy, but even if the enemy are impressed as the associate minister said, they do not seem to be intimidated; at least, they were not deterred from recommencing nuclear testing nor from threatening to cut the access corridors to Berlin.

I must admit that listening as I did yesterday to the minister, the associate minister and the parliamentary secretary, I was reminded of Wynken, Blynken and Nod, three men asleep in the land of unreality. They are going to have to come out of their trance and face the hard world of reality.

I have here a clipping from *Life* magazine, issue of August 25, 1961. It is entitled "The Long Road Back for the Army". I should like to read it for the benefit of the committee:

> The conventional-war threat implicit in the Berlin situation poses some obvious questions about the U.S. army. The answers are disturbing.
>
> Across the sand hills and pine woods of South Carolina the spendidly trained 101st and 82nd airborne divisions fought a rugged week-long battle that was billed as "the most important land warfare exercise in 20 years". It was a convincing show of strength, but the sad fact is these two divisions constitute two thirds of the combat-ready U.S.-based army. Most of their equipment is of world war II or Korean vintage, and much of it is wearing out. Not only the airborne divisions but the five first-line U.S. divisions in Europe are still using old tanks, and the quality of tanks has been the weak link in the U.S. arsenal. Only one battalion in the entire army is equipped with the new M-60 tank to match Russian T-54's which have been in operation since 1952. The Russian army, after two post-war equipment changes, has handed out to satellites and even neutralist Arabs newer equipment than the best-armed G.I. now carries.
>
> This sorry situation came about largely because of the army's orphaned status during the eight-year era of the massive retaliation doctrine. After Korea the army was cut back to less than 25 per cent of the total defence budget and barely managed to avoid obliteration by getting into the missile and rocket business. The army's Redstone has become a mainstay in the space race, but this kind of development tended to obscure the army's conventional role. "After a while there wasn't any more fat to be chopped so they cut logistical bone and muscle and called it fat," says one colonel. "Now the army is 60 per cent of what it looks like on paper." The ground forces have another legitimate complaint: the air force has always placed too low a priority on the job of supplying planes and pilots that would turn the army into a swift and mobile world wide striking force.
>
> Demoralized and unsure of its mission, slapped down repeatedly by congress and the defence department, the army's top leadership has grown fusty and defensive. By the time Kennedy stepped in and authorized 133,000 new men to beef up limited-warfare capability, the army's overlapping technical services and weakened logistical systems were so messed up that army brass wanted to assign most of the new manpower to noncombat functions. The administration, disillusioned with the brass, is still trying to find the handle for a more effective troop build-up as well as for basic reforms. Defence department civilians and the younger officer corps share the administration's sense of frustration. "What we need," one of them says, "is a guy who is smart, mad at the way things are, and a real S.O.B."

One might say that the message contained in that article would apply with equal force to the Canadian armed forces. The associate minister went on to discuss the Russian bomber force. He stated that not only is the enemy still flying bombers but they are still producing them. How does he know? Is that the latest dispatch from Washington? Or is the hon. gentleman relying on published reports of the Soviet May day air show? Does he realize that a similar air show a few years ago contributed to the spending of hundreds of millions of dollars for air defence against manned bombers while the Soviet union concentrated on the development of ballistic missiles? Does the minister think that this might be another Soviet trick? If so, can he be fooled so easily? If not, and the bombers are supersonic as reported, then the minister had better obtain a faster plane than the Voodoo.

I was surprised at the Minister of National Defence today implying that anyone who said that the bomber threat was diminishing, was not still the main force and would not continue to be so for a number of years, was in effect off his rocker. Is the minister telling the committee that the government lied to the house and the people of Canada in 1959 when it cancelled the Avro Arrow? Is that what he intended in his statement?

Mr. Harkness: Mr. Chairman, perhaps I could interrupt to clear one point. I did not at any time say that the bomber threat was not diminishing. Naturally, as intercontinental ballistic missiles are produced in greater quantities they will become progressively

more important and the bomber less important, but that period has not yet been reached. That is the main point I made. That should be clear and apparent. The point has not yet been reached where the intercontinental ballistic missile is the main threat. The main threat is still the manned bomber.

Mr. Hellyer: I thank the minister for this interesting interjection. The minister said he made it quite clear that he did not say the bomber threat is not diminishing. If the bomber threat is diminishing why does the government now do something which it said two years ago was unnecessary? This is the question which comes to mind. The bomber threat is diminishing—

Mr. Harkness: The government did not say it was unnecessary. That is why the Bomarcs were ordered, for one thing. If we thought there was no bomber threat we certainly would not have ordered the Bomarcs.

Mr. Hellyer: The confusion about which I spoke earlier, Mr. Chairman, was never more apparent.

Mr. Monteith (Perth): In your mind.

Mr. Hellyer: May I take a moment or two in which to speak about the Bomarc. This is one of the pieces of hardware which I described as being second-hand; it is worse than that, it is junk. The Bomarc missile is a ten year old concept. As the minister well knows it was designed to shoot down enemy aircraft, manned bombers. The minister himself made very clear again yesterday that it is not effective against missiles and no one ever said that it was. With that we agree. But what the minister has failed to realize, however, is that times have changed since this concept was initiated ten years ago. At that time bombers were the only threat to the North American continent, not just the main threat if the minister is correct in the information he gave us today.

There is one other development on which the minister has not commented with respect to the Bomarc. The United States has developed stand-off bombs which are carried by manned bombers. Published reports and evidence indicate that the U.S.S.R. is doing the same thing. If the U.S.S.R. has approximately the same success with stand-off bombs as the United States it, too, will carry a ballistic missile which can be launched from the wings of its bombers which will have a range of approximately a thousand miles and which will carry a nuclear warhead.

The picture at the present time and for the future is this. To send a Bomarc, even if it will fly, with its four hundred mile range, against a ballistic missile that has a nuclear warhead and a thousand mile range is like trying to fight a sword with a toothpick. Long before the bomber force gets within range of the Bomarc station it will launch one of its ballistic missiles from under its wings, knock out the Bomarc station in toto and fly merrily on its way. Surely, the minister is at least that much up to date that he can see the futility of putting money in fixed bases, whether they be Bomarcs or SAGE or gap-fillers, if they are going to be destroyed at the outset by any one of three or four kinds of missiles, including missiles launched from bombers, which is the only potential threat against which they were designed.

The Bomarc will never reach the carriers. What good is it then? How can the minister justify spending Canadian money on a useless piece of second-hand junk.

With respect to the United States appropriations that we were discussing a few minutes ago, the minister did not say in respect of the funding for the Bomarc that it had been cut several times; that the limited program which is now being carried forward was probably a compromise designed largely to accommodate the Boeing Aircraft Company, the Canadian government, and what would have been the cancellation charges if the whole thing had not been proceeded with. Surely, he does not expect us to believe that it has a continuing military function. That would be stretching credibility too far.

The associate minister informed the committee that the federal government did not invite General Kuter to make his Toronto speech. Be that as it may; the minister did not contend that the government was not consulted. I would certainly believe that, in view of what has happened in the last year or two, that the government would have known of the proposed visit. The associate minister went on to say—

Mr. Harkness: I would not want to leave any misapprehension at all. When General Kuter, or anybody else in that position comes to Canada to make a speech he submits the speech to me to see whether or not I approve it. Anything I do not approve I strike out and this was done in this case. I read the speech. I thought it was an excellent speech and I approved it. But we had nothing to do with General Kuter coming to Canada to give the speech.

Mr. Hellyer: I appreciate the minister's explanation very much. This is exactly as I would have expected it to be.

The associate minister went on to refer to the Bobcat all-purpose personnel carrier and he said that it had been put into production. We would like some further explanation

in reference to this. Is he referring to the limited production of a few prototype models which was announced in this house a year ago, or is he referring to something new, namely the production of a sufficient quantity to be of some military use. This is a question that has to be answered. We have to know how many are on order, and when they will be delivered to our forces overseas, because they are not much good until they get there.

The minister implied that I was saying there was confusion and indecision in the minds of those entrusted with the national defence of Canada, the serving officers. The minister does not have to lecture me in respect of the competence and dedication of the officers and men of the Canadian armed forces. They do not always agree, but they are always sincere in their opinions. The indecision and confusion lie with the ministers and the cabinet and I place the responsibility where it belongs, namely on the government leaders.

Both the associate minister and the parliamentary secretary proposed a strange hypothesis. It was as follows. To say that Canada has no defence policy is tantamount to saying that NATO has no defence policy. Well, this is a strange doctrine indeed. Is the minister saying, as he once said on a television program, that the Canadian defence budget and defence policy are determined by NATO? Do we take our instructions from NATO? I doubt it very much. Collaboration, yes, but surely NATO does not dictate Canada's defence policy or Canada's defence budget. This is a new doctrine that should be announced by the government.

Mr. Martin (Essex East): It was repudiated in this house by the Prime Minister a year ago.

Mr. Hellyer: Perhaps there has been a change since. If so, we should have been told about it.

Mr. Sevigny: I rise on a point of order. I never said that NATO fixed the Canadian budget and I made that abundantly clear when members of the opposition raised the point approximately two years ago. But I have said this and I repeat it, that agreements which are reached at the NATO conference table only after careful consideration are at the basis of the defence policy not only of this country but of all the member countries of NATO.

Mr. Hellyer: I must admit the surprise that I felt yesterday to have this new doctrine expressed by the minister. I hope that Canada's contribution is still determined in collaboration with our allies but on the best consideration of the Canadian government which is responsible to the Canadian people. Confusion reigns supreme on the government benches. And now with respect to the other pieces of equipment that were referred to earlier. I have dealt with the Bomarc and I do not intend to elaborate further now as there may be something to be said later in the debate.

With respect to the Voodoo aircraft, I have never said it was not a good aircraft. Perhaps the minister is technically correct, in his very carefully chosen phraseology of yesterday he said that it is the best interceptor now available for North American air defence service. That may be true. It is still not as good as the Arrow was and it is now out of production. I should have said this yesterday. Unquestionably if the Avro Arrow had gone into production it would have been welcomed now by the United States forces and the minister would have been able to find customers for it because it would have been the best in its field.

With respect to the F-104, the United States has not funded any money for it for a considerable period of time. The F-104 was in service with the North American air command. As the minister knows, it was withdrawn from the North American air command because it was not satisfactory and it was turned over to a subsidiary role with the United States national guard. That is what the United States air force thought of it. They may still have one wing in tactical air command on the continental United States. But they do not think enough of it to put any more money into it or to obtain it for the strike reconnaissance role for the United States air force. Those in use with the national guard in the United States are still experiencing the unfortunate accident rate which was evident previously with the earlier models of this aircraft.

With respect to the Honest John, it too is now second best, second-hand hardware. The United States forces are now putting their reliance on the Little John, a much smaller, lighter and portable weapon which can be carried by air transport and has a capacity probably not too different from that of the Honest John. When we have been so late in obtaining these things, why are we not getting the best instead of the second best? These questions have been raised and surely the minister cannot say in the light of what I have indicated that I was unfair in calling these weapons second-hand hardware. They are second-hand hardware.

I hope that the minister will reconsider some of the things he said this afternoon. I hope that he will reconsider the effectiveness of some of the roles that his forces are called upon to play. I also hope that he will stop stalling with respect to getting the necessary

equipment for our fighting forces overseas because the time has long since passed when he should have got out of that frame of mind and have taken some real action to make sure they do have the equipment they need.

(Translation):

Mr. Sevigny: First of all, Mr. Chairman, I should like to give some specific explanations, in French, about the remarks made before this committee, yesterday, by the hon. member for St. Jean-Iberville-Napierville (Mr. Dupuis).

The hon. member for St. Jean-Iberville-Napierville referred to the situation in St. Jean, as well as in neighbouring areas, with respect to salaries which are paid by the Department of National Defence to employees on a part-time or hourly basis.

Among other things, the hon. member stated that, before 1957, the department's employees used to get annual increases.

That policy of paying hourly paid government employees salaries in keeping with the prevailing rates of the area for a similar work, has remained unchanged for years. The Department of National Defence makes sure that salaries paid to all hourly paid employees are reviewed at least once a year, and that increases are approved whenever they are warranted.

The hon. member added that since 1957 in some cases, and since 1958 in others, no salary increase had been granted. I am sorry to contradict him, but all the hourly-paid employees in the St. Jean area, except three, had a salary increase in 1958. In addition, other increases were approved in 1959 for almost all classes while other increases were approved in 1960 for certain classes of employees. Results of the preliminary study made by the department for the year 1961 on the rates paid in those areas are not yet available, unfortunately.

The hon. member mentioned that waitresses, assistant cooks, kitchen hands, truck drivers and others receive inadequate salaries that are too low to enable them to provide a decent living or even bare necessities for their families. The Department of Labour is responsible for the policies to be followed in the fixing of salary rates; in order to set these rates, we study the existing conditions in private enterprise.

The hon. member also mentioned that in the past, that is before 1957, employees who were not under the civil service could work overtime and earn higher salaries. There was no change made in that policy of paying higher wages for overtime, but it has never been a practice, in the Department of National Defence, to provide on purpose overtime work as a means to increase the employees' salaries. On the contrary, they are asked to work overtime only when there are serious reasons for it. We do this in order to avoid additional expenses.

These last few years, the department and the R.C.A.F. have been particularly conscious of the fact that it is necessary to cut expenses whenever it is possible, while maintaining a high degree of efficiency.

The hon. member stated that, prior to 1957, the employees working on Saturdays or Sundays received higher pay, since they were paid at time and a half rates and sometimes at double time rates while today they are paid at straight time.

Mr. Chairman, I will answer by saying that hourly paid employees are entitled to a certain extra rate for the number of hours worked in addition to their normal week. Moreover, they are paid for the work done on days of rest, above and beyond their regular number of working hours.

However, it must be understood that because of the nature of the duties they have to perform, some employees work only on Saturday, Sunday or at night. Those are therefore considered as regular hours of work, not overtime.

I would be very happy to send the hon. member for St. Jean-Iberville-Napierville (Mr. Dupuis), a copy of the explanation given to me by the department and which should convince him that the Department of National Defence commits no injustice deliberately or otherwise towards its employees in the St. Jean district or elsewhere.

(Text):

I should like to comment briefly now, Mr. Chairman—

(Translation):

Mr. Dupuis: Would the minister permit a question now or does he want me to wait for him to conclude his remarks?

Mr. Sevigny: If the hon. member does not mind, I should like to conclude my remarks. I shall gladly answer his questions then.

(Text):

Mr. Chairman, I should like to comment briefly on certain remarks which were made to the committee this afternoon by the hon. member for Kootenay West. He referred to the fact it was rather inadvisable to permit German generals who have, at some time or other, served against our country, to occupy

positions of prominence in the NATO forces. The hon. member referred particularly, and in rather strong language, to the fact that General Heusinger today occupies a place of prominence in the NATO forces. I fully agree with the hon. member concerning the employment of well-known Nazis in positions of high importance. I am convinced that no friends of the Nazi party or well-known Nazis, and certainly no well-known war criminals, are employed in any capacity in NATO.

In so far as General Heusinger is concerned, I feel that it is necessary to mention that this distinguished officer was never at any time a member of the Nazi party or of the Nazi forces. A distinction must be made between the forces of the regular German army and the members of the Nazi party. General Heusinger was, in fact, a career officer in the Germany army. After the uprising of July 20, 1944, at which time there was an attempt on Hitler's life by a group of officers who believed the time had come to put an end to this madman's antics, General Heusinger was arrested and escaped from gaol just before he was sentenced to death by the Nazi party.

General Heusinger is a man who served his country with distinction. I believe we must realize that, in spite of the excesses of the Nazi party in Germany during the last war, there were nevertheless some patriotic Germans who felt that by serving in the army of their country they were serving their country just like so many Canadians, Americans and British soldiers felt they were serving their country by being in uniform. General Heusinger was never a Nazi. He was a man who was under sentence of death because he tried at one time to stop the evil effects of the Nazi doctrine upon the world. I felt that these remarks were necessary at this time.

Mr. Herridge: Will the minister permit a question? Has he read the memorandum presented by the American Jewish congress in which there are extracts of orders issued by General Heusinger to the German army and statements made by him in the memorandum that the extermination of the civil population would provide an opportunity to exterminate the Jews and Slavs in the countries concerned. This is in the *Congressional Record* and I can give the page.

Mr. Sevigny: I must say in reply that I have not yet read this memorandum. However, I felt it was necessary for me to mention what I knew about General Heusinger, who enjoys the confidence of those around him in NATO and who is today performing a valuable service in the NATO association.

I should like now to refer briefly to certain of the comments which were made by the hon. member for Trinity. Once again the hon. member for Trinity surprised this committee and certainly surprised me when he claimed that nothing in the army was good. He said particularly that the army brigade is not mobile. He claims that the weapons with which we are equipped are second-hand hardware, in fact he called them junk. He claims that nothing is good. Nothing that has been done seems to meet his wishes. After listening to him, we have to come to the conclusion that he considers all that is being done here and in the United States is useless.

Mr. Hellyer: I did not say that.

Mr. Sevigny: The army is poorly equipped, he says, and poorly manned. Nothing seems to be worth while. He read a lengthy article which was supposed to be from *Life* magazine, written by I don't know who, in which it was stated that there was nothing in the United States forces that was modern or adequate to meet the threat that faces us today. The hon. member, as I said, stated that the army brigade was not mobile and he seemed to be concerned about this lack of mobility. He said that nothing moved, and that all was wrong. He also seems to think that the weapons we have put at the disposal of our forces are useless. He finds absolutely nothing good in what has been done or what is being done.

There was one thing that struck me, though. After claiming that nothing worked properly, that nothing moved and nothing seemed to fire right, he did not come out with one suggestion about the type of aircraft or the type of weapon or the type of ship which could be used and should be used by our forces in order to protect us. He once again let off a great big blast concerning the Bomarc program. He told us that the Bomarcs were useless against intercontinental ballistic missiles. We agree with this. However, there is one thing the hon. member should learn at some time, and that is that the Bomarc is not a missile meant to destroy intercontinental ballistic missiles. It is a weapon which is meant to be used against the enemy bombers which may attack our shores. It may well be that they will do so, since the manned bomber is still a very distinct possibility.

I repeat, Mr. Chairman, for the benefit of the hon. member for Trinity that the Bomarc is not meant, has never been meant and will never be meant, as a weapon against the intercontinental ballistic missiles. It is a weapon which is meant for defence against the possibility of attack by manned bombers. It is

considered by the highest authorities in the United States, in Canada and elsewhere throughout NATO countries as an efficient weapon against bombers.

Then, the hon. member claimed that the figures we mentioned in relation to the cost of additional forces are too low. These figures have been supplied to us by the officials of the Department of National Defence who arrived at them only after the longest, closest and most careful scrutiny. In order to make sure that they would not be wrong their figures were further revised and studied with great care by the officials of treasury board. It was only after this careful study had been made by these two bodies of men that these figures were submitted to us. I may say frankly that we are still under the impression that the opinions of the experienced staff of the defence department and the experienced members of treasury board are good enough for us. That is why we say the figures we have quoted are correct.

Once again the hon. member tells us that we should have amphibious carriers for our brigade and that we should have these weapons at the earliest possible moment. We agree with him. This is exactly what we are trying to do in procuring these Bobcat vehicles which are being produced and which we hope will be produced at a faster rate from now on. We are pushing the Bobcat program. In fact, we have announced that we would eventually buy 500 of these vehicles. We hope that these vehicles will be ready in the near future.

Mr. Hellyer: Will the minister permit a question? Will he indicate when that announcement was made?

Mr. Sevigny: This was indicated last year. We said that as soon as the experimental tests were finished and once the vehicles were considered operational and satisfactory, we hoped to buy some 500 of these vehicles.

Mr. Hellyer: It was stated to be a requirement, but was any order ever given or was any money put in the estimates for it?

Mr. Sevigny: If the hon. member would keep his seat and listen carefully—

Mr. Hellyer: All I get is words.

Mr. Sevigny: —he would realize that I have said that last year or some time ago—I forget the exact date—we said that as soon as the experimental tests were finished and had been found satisfactory, we hoped to be able to place an initial order for 500 of these vehicles.

Mr. Hellyer: You will probably be a senator by then.

[Mr. Sevigny.]

Mr. Sevigny: As I have just said, Mr. Chairman, the hon. member has continued with the well known Liberal policy of scrapping all that we have, in order to replace this policy with a policy of their own which has never been defined. It seems to me that it is slightly ridiculous to suggest that we get rid of all the proven weapons, which have been satisfactory in the past, which are still satisfactory and which I am sure give this country the defence it needs.

(Translation):

Mr. Dupuis: Mr. Chairman, I should like to ask the Associate Minister of National Defence (Mr. Sevigny) a question. The minister told us earlier today that, since 1957 wage increases have been regularly awarded to the employees of the Royal Military College and of the R.C.A.F. station at St. Jean. But, first of all, the minister pointed out that I had said that employees there were earning inadequate wages; I did say so, of course, and I repeat it.

The minister received information from the Department of National Defence, but I made some considerable inquiries among the employees, because I had heard of several justified complaints. So let the minister take notes or refute my figures. It would be rather difficult for him to do so because I have here the stubs of the cheques paid to those people in the various sections. When I pointed out that fact yesterday, I had no intention of playing politics. I simply wanted to draw the government's attention to the discriminatory wages paid to members of the R.C.A.F. at the Royal Military College at St. Jean.

The minister referred to zoning, and he said that the department had considered zoning in the area. Well, is it not rather strange that at the St. Jean military college a waitress employed by the Department of National Defence should earn 87 cents, in St. Jean, while half a mile from there, at the R.C.A.F. base, a waitress earns 89 cents, that is two cents more? Yet, the zone is the same and the employer is the same department in both cases.

The minister seems to find this normal and did not say whether my complaints were justified. Personally, I think it is absolutely abnormal that in 1961 rates as low as 87 cents and 89 cents an hour should be paid to employees of the Department of National Defence.

I have stubs here. If the minister wants proofs, he would see, for instance, that a person called a kitchen helper was paid $74.19 for 96 hours of work, or $37 a week. Therefore, the worker who earns $37 a week in

St. Jean gets a dollar a week more in his national defence job than an unemployed person who draws benefits. In my opinion, this is an anomaly and I clearly said so to the minister.

The minister said the procedure has remained unchanged since 1957, and he added that those workers have been granted increases regularly. Well, I note, as the minister will after inquiry, that those who received increases were precisely those who needed them less. The classifications which were in greater need of increases, such as waitresses, kitchen helpers and bus drivers, got no increase since 1957-58.

I have here other pay cheque stubs and I note that in 1957, a driver earned $300.50 in 15 days; today, he cannot earn more than $120.

Then, I say that the minister should not only take the floor to reply to the member for St. Jean and tell him that his claims are unfounded but that he should go to the heart of the matter and check the facts instead of being content with one side of the story.

I understand that departmental officials have given him a detailed list of the salaries paid at the station. I submit that that list in no way contradicts what I said here yesterday and what I am now repeating today. In 1961, a bus driver earns $1,000 to $1,500 less than in 1957. If the minister investigates, he will come to the same conclusions as I did.

He states that work done on Saturdays and Sundays is paid more now than before. According to my information, such work does not entitle the employee to higher pay; perhaps some local officer is mistaken in his interpretation of the law. I am told that work done on Saturday and Sunday is not paid at time and a half rates nor double time rates as was the case in 1957.

Mr. Chairman, I do insist on that point. I should like the Associate Minister of National Defence, for whom I have every respect, to take into favourable consideration the facts I brought to his attention. I see no reason, for example, why there should be a difference between the salary paid to a truck driver working at the St. Jean base and the one paid a truck driver working for the C.N.R., which is an organization owned by the federal government. The difference varies between 30 cents and 40 cents per hour.

Mr. Chairman, I thank the Associate Minister of National Defence for giving us his figures but I would like him to consider mine and to make a personal inquiry in order to ascertain the situation now prevailing at the Royal Military College at St. Jean and at the R.C.A.F. station in St. Jean.

People working very hard, 45 hours a week, get 83, 85, 87, 89 and 92 cents an hour. In fact, unemployed people get $36 a week while people who work hard get $37. I think that is an abnormal situation and I hope that the Associate Minister of National Defence will give me an immediate answer, if he has anything to say, and will look into what I have just stated.

Mr. Sevigny: Mr. Chairman, I intend to be very brief.

A moment ago, I mentioned some facts which I had obtained, as was said by the hon. member for St. Jean-Iberville-Napierville (Mr. Dupuis), from national defence officials, to explain government policy as regards salaries paid to part-time prevailing rate employees.

I wish to assure the hon. member that the Department of National Defence has no intention, any more than I have, to deal unfairly with part-time employees in the St. Jean area or elsewhere.

Mr. Chairman, I shall be most happy to ask the officials of the Department of National Defence to look into the information the hon. member for St. Jean-Iberville-Napierville will send me, and I hope that together we will succeed in seeing to it that everyone is justly treated in that area, just as in other areas.

Mr. Dupuis: Mr. Chairman, I wish to thank the Associate Minister of National Defence for his statement. I hope that together we will be able to look into that situation and arrive at a conclusion which will be satisfactory to the employees of the Department of National Defence.

(Text):

Mr. Macdonnell: Mr. Chairman, I rise on what I hope is a question of privilege, and it is this. We have been given a great many figures in this house today and on a good many occasions they have been strongly controverted. We who are not experts have to rely upon figures given to us, and that includes not only members of parliament but the public at large.

It seems to me, therefore, that it would be fair if we asked hon. members who have given figures today and who for any reason in their own minds, or because of what has been said in the committee, have changed those figures, to have the correction noted in *Hansard* so that when the record appears tomorrow it will be the best record we can have. This is important when we are dealing

with very large and significant figures, because I do feel that the record will then be of great value to all concerned.

The Deputy Chairman: Perhaps on that—

Mr. Martin (Essex East): Are you calling it six o'clock?

Mr. Harkness: I thought we might pass the next two or three items.

Mr. Martin (Essex East): I do not think that is possible now. I wish to make several observations. I want to deal particularly with the minister's statement that the Liberal party had not put forward a policy. It is not my intention to deal with what is the Liberal party policy because that has been adequately and clearly stated by the hon. member for Trinity.

Some hon. Members: Oh, oh.

Mr. Martin (Essex East): What is clear, however, is that the government has not succinctly stated its policy. After all, the government was elected not only to formulate policy in all spheres of national and international activities, in so far as the latter apply to Canada, but also to see that these policies were given effect.

The government has not given us a clear statement with regard to the acquisition of nuclear weapons. I wish to say something about that at greater length than I can in the time at my disposal. I wish to indicate to the minister that I do propose, as others in this party have done, to call upon him to give now, before this house adjourns, a clear statement of the government's intention in this regard.

We do not wish to be confronted, with regard to this vital matter at this critical time in human history, with the device this government has employed on so many occasions. We were told, for instance, in the dying days prior to adjournment, that the government's policy with regard to amendments to the Unemployment Insurance Act would be made known in due course.

The government stated in January in the speech from the throne that it was going to bring down amendments to the Unemployment Insurance Act. Then, the moment parliament adjourned we were confronted with a device which removes from the government any immediate, apparent responsibility. I refer to the appointment of a royal commission to go into something in connection with which the government said in January it was prepared to enunciate a policy.

Now we may be here another month. I have no doubt, from every indication now apparent, that before we come back here in November or December the Minister of National Defence will announce a policy regarding the acquisition of nuclear weapons, and without parliament being given the opportunity of confronting the issue immediately and debating the question on its merits.

I believe that at a time when we are all seeking to appreciate the responsibilities of the government in this difficult period, it should take parliament into its confidence. The government should indicate what is in its mind.

Some hon. Members: Hear, hear.

Mr. Martin (Essex East): The Minister of National Defence could rise in his place right now and say that Canada proposes to accept nuclear weapons without condition, or under certain conditions—in the custody of the United States, for instance, and under their control, but under arrangements that recognize the responsibility of the government of Canada in respect of matters pertaining to the welfare of this nation.

The minister can say that we propose to accept in Canada the agreement the United Kingdom has with regard to the acquisition of nuclear weapons in that country. He can tell us whether or not it is true that there is now ready an agreement formulated by the United States, with the full knowledge of the government of Canada, with respect to this matter.

I am not saying that is the case, but these are the indications we are receiving at every turn. We are entitled to know, before parliament adjourns, with respect to this very vital matter of whether or not the government has a policy; and if it has, the government should state it in a forthright and unambiguous way.

Some hon. Members: Hear, hear.

Mr. Martin (Essex East): Mr Chairman, may I call it six o'clock?

Mr. Harkness: In reply to that, Mr. Chairman, I would say that I do not propose to accept the directions of the hon. member for Essex East as to what I should or should not say in this debate.

Mr. Martin (Essex East): I know you will not, but the people of Canada expect you to state where you stand in this matter of acquiring nuclear weapons.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Hellyer: Mr. Speaker, would the house leader indicate the business for tomorrow and the balance of the week?

Mr. Churchill: We will follow the agreed program to complete the estimates of the Department of National Defence. Then we will carry on with the privy council and defence production estimates.

Mr. Hellyer: In that order?

Mr. Churchill: In that order, I judge, unless there is some necessity for change.

Mr. Martin (Essex East): Ask the Minister of National Defence to answer questions, and we will finish quickly.

At six o'clock the house adjourned, without question put, pursuant to standing order.

Question

ANSWER TO QUESTION

The following answer, deposited with the Clerk of the house, is printed in the official report of debates pursuant to standing order 39:

SYDNEY, N.S.—USE OF LOW VOLATILE COAL FOR STEEL

Question No. 237—**Mr. Argue:**

1. Has the Sydney, Nova Scotia, steel plant recently invited from the United States of America quotations for low volatile coal for blending purposes in the production of steel?
2. If so, what are the quantities of coal involved?
3. Does the low volatile coal required exist in the maritimes?
4. If not, what is the difference in the costs of making steel using low volatile coal imported from the U.S.A. and using the most suitable coal available in the maritimes?

Answer by: **Hon. Paul Comtois (Minister of Mines and Technical Surveys):**

1. This is a matter affecting the Dominion Steel and Coal Corporation Limited and is not one of government responsibility. However, the press has reported the movement of one cargo of low volatile coal into Sydney for this purpose.

2. Since this is a matter of private business, the government has no official information.

3. No coal of low volatile rank is known to exist in the maritime provinces.

4. The government has no information on this matter.

HOUSE OF COMMONS

Thursday, September 14, 1961

The house met at 11 a.m.

TRADE

EUROPEAN COMMON MARKET—REPORTED STATEMENT BY MINISTER OF TRADE AND COMMERCE

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, I wonder whether the Prime Minister would care to comment on a statement made in Ghana yesterday by the Minister of Trade and Commerce, presumably on behalf of the government, to the effect that the United Kingdom now had to choose between the European common market and the commonwealth.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I saw that report. It is a news report and I am sure it does not represent what was said. I have made it very clear on a number of occasions that we in Canada have made representations to the United Kingdom and have pointed out the potential effects of its joining under the treaty of Rome unless provision is made at the time of joining the Six for an exception in respect of those things upon which Canada and the other parts of the commonwealth depend. No such alternative as that suggested by the question of the Leader of the Opposition has been advanced at any time by the government.

The Prime Minister of the United Kingdom, following the discussions that took place when Mr. Sandys visited various parts of the commonwealth, stated in the House of Commons that an application to join the common market would be made—I am paraphrasing what he said in that connection—but that commonwealth relationships would not be thereby weakened economically or otherwise.

Mr. Pearson: May I ask a supplementary question. Would it be possible for the Prime Minister to secure for the information of members of the house the text of what appears to have been a very important statement by the Minister of Trade and Commerce?

Mr. Diefenbaker: Mr. Speaker, the interesting point there is that this was a meeting behind closed doors. I have found in the past, as the hon. gentleman must have found in his experience, that some of the interpretations, speculative and otherwise, that follow such meetings very often bear little relationship to what was actually said.

VISIT OF RED CHINESE MISSION TO CANADA

On the orders of the day:

Hon. Gordon Churchill (Acting Minister of Trade and Commerce): Yesterday, Mr. Speaker, the hon. member for Ottawa West asked me a question with regard to a report that a delegation from communist China might be coming to Canada to discuss trade matters. The information I have is that the Chinese state trading corporations have expressed the intention of sending a group of their representatives to Canada. I am informed that the group hopes to begin its market study in Ottawa toward the end of this month, and to have discussions with Canadian businessmen in various centres throughout the country.

BUSINESS OF THE HOUSE

INDIAN AFFAIRS—IMPLEMENTATION OF COMMITTEE RECOMMENDATIONS

On the orders of the day:

Mr. Frank Howard (Skeena): I should like to direct a question to the Minister of Citizenship and Immigration, and ask the minister what progress is being made with respect to transforming the recommendations of the joint Senate and House of Commons committee on Indian affairs into legislative form, and whether we might expect an amending bill this session.

Hon. Ellen L. Fairclough (Minister of Citizenship and Immigration): When the recommendations contained in the report are finally considered by the government and action is contemplated, the house will be informed.

INTRODUCTION OF AMENDMENTS TO IMMIGRATION ACT

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): If I may I should like to ask the Minister of Citizenship and Immigration a question. Does the hon. lady expect to be in a position to introduce the revision of the Immigration Act at this session of parliament?

Inquiries of the Ministry

Hon. Ellen L. Fairclough (Minister of Citizenship and Immigration): Mr. Speaker, while considerable progress has been made in the considerations involved, I have not one to present to parliament yet. I am hoping to have one at the earliest possible moment.

COMMONWEALTH CONFERENCE

INQUIRY AS TO PERSONNEL OF CANADIAN DELEGATION

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): May I ask the Acting Minister of Finance a question arising out of a question I asked him yesterday. Is the statement made, according to press reports yesterday, that the deputy minister of trade and commerce will lead the Canadian delegation to the forthcoming commonwealth conference, accurate?

Hon. George C. Nowlan (Acting Minister of Finance): The statement was accurate. I was going to reply to this question in a moment, after others had been answered. I was asked by the Leader of the Opposition as to the delegation. It is to be led by Mr. Roberts, deputy minister of trade and commerce and there is a possibility, I am told, of one change, but the plan at the moment, and the intention, is to send Mr. Roberts, Mr. J. H. Warren of trade and commerce, Mr. Latimer of trade and commerce, Dr. Annis of the Department of Finance and Mr. Turner of the Department of Agriculture. Those three government departments will be represented. Then Mr. D. R. Taylor from Canada House, London, will join the delegation and participate in the discussions.

IMMIGRATION

FRANCIS TOBIAS—INQUIRY AS TO LETTER RESPECTING DEPORTATION

On the orders of the day:

Mr. L. D. Crestohl (Cartier): I should like to direct a question to the Prime Minister. A United Press release appearing in this morning's newspapers stated that an office receptionist wrote the Prime Minister asking him to recall the deportation order against a Polish defector and allow him to remain in Canada. My question is, did the Prime Minister receive such a letter and can the Prime Minister make any statement to the house as to whether anything is being planned to deal with this matter?

Right Hon. J. G. Diefenbaker (Prime Minister): I think the hon. gentleman would have to be more definite in his statement than just saying "an office receptionist". Such a letter would be rather difficult to locate from an examination of the files. If he would give me the name of the person, I will certainly have the matter looked into.

Mr. Crestohl: This letter was sent by Sophia Horan and concerns Mr. Francis Tobias, who was recently ordered deported by the immigration department.

NATIONAL DEFENCE

NEWFOUNDLAND—RETURN OF TROOPS FROM FIGHTING FOREST FIRES

On the orders of the day:

Mr. J. A. McGrath (St. John's East): I should like to direct a question to the Minister of National Defence. Does the minister have any comment to make on reports that Canadian army personnel, who did such an excellent job in fighting forest fires in Newfoundland, are now in the process of returning to their units on the mainland?

Hon. D. S. Harkness (Minister of National Defence): Yes, Mr. Speaker. The continuing rain and cool weather in Newfoundland have relieved the situation to an extent that the provincial authorities have agreed to the release of the armed forces. The air lift for the return of the troops to their home stations will commence today and will continue until September 24.

INDUSTRY

AUTOMOBILES—INQUIRY AS TO ACTION ON ROYAL COMMISSION REPORT

On the orders of the day:

Hon. Paul Martin (Essex East): May I ask the genial Acting Minister of Finance a question. Can he say whether arrangements have been made to meet representatives of the city of Windsor and the united automobile workers regarding representations to be made by those agencies in connection with the Bladen report? Can the minister tell the house, now that the report has been published for some four months, whether the government has reached any decision on any of the recommendations that were made, and when we may expect some action from the government one way or another on those recommendations, affecting one of Canada's important industries in which there is so much unemployment?

Hon. George C. Nowlan (Acting Minister of Finance): Mr. Speaker, action was taken on that report almost immediately in the budget, in taking the excise tax off automobiles, something which was urged on the preceding government for many years and on which no action had been taken. Many other matters are referred to in the report.

It is a most important report. Consultations and discussions have been taking place with unions and others in the industry, and in governmental committees as well. It is a very embracing step and requires a good deal of study. When decisions are made with respect to the report the house will be informed, if the house is then sitting.

Mr. Martin (Essex East): I thank the genial minister, Mr. Speaker, but is he not aware, with regard to the excise tax—

Mr. Speaker: Order. The hon. member seems to be embarking on a proposition rather than a question.

Mr. Martin (Essex East): Then, Mr. Speaker, since you so forthrightly admonished me, may I ask the Minister of National Revenue whether the government will see the two bodies to which I have referred in connection with a matter that is so vital to the community from which I come, and to the industry.

Mr. Nowlan: Mr. Speaker, the members of the government are continually meeting delegations that wish to make representations on matters of public importance. I personally have had no request made to me for such a meeting. However, if such a request has been made I am sure that every effort will be made to reach mutual agreement on a satisfactory time for such a meeting.

Mr. Martin (Essex East): I thank the minister, Mr. Speaker.

Mr. Nowlan: I am informed by the parliamentary secretary that no approach has been made to the department itself with respect to this matter.

BROADCASTING

TATAMAGOUCHE, N.S.—APPLICATION FOR NEW STATION

On the orders of the day:

Mr. M. J. A. Lambert (Parliamentary Secretary to the Minister of National Revenue): Yesterday the hon. member for Bonavista-Twillingate asked a question concerning an application for a new station at Tatamagouche, Nova Scotia, by Colchester Broadcasting Company. That application was heard during the hearings of the board of broadcast governors during the week of August 22, and under date of September 5 the board made its public announcement that its recommendation on this application was for denial.

Hon. J. W. Pickersgill (Bonavista-Twillingate): If I may I should like to ask the parliamentary secretary a supplementary question and inquire whether the reason for the denial was that it was considered that the area was adequately served.

Mr. Lambert: Mr. Speaker, in its public announcement the board did give its reason, and it was generally in that tenor.

TELEVISION

RIMOUSKI—APPLICATION FOR SATELLITE STATION

On the orders of the day:

Mr. H. J. Robichaud (Gloucester): Mr. Speaker, I wish to direct a question to the Minister of National Revenue. Is he now in a position to supply the information for which I asked yesterday with regard to the application of station CJBR-TV, Rimouski, for the erection of a satellite station to serve Madawaska and Victoria counties?

Hon. George C. Nowlan (Minister of National Revenue): Mr. Speaker, I am not in a position to answer that question today. I will try to get the information and deal with it tomorrow or Monday.

SUPPLY

DEPARTMENT OF NATIONAL DEFENCE

232. Departmental administration, $3,455,378.

Mr. Martin (Essex East): Mr. Chairman, at the adjournment last night, following my remarks the Minister of National Defence quite properly said that he did not intend to take any direction from me as to what he should or should not say in this debate. But I am sure that on reflection the Minister of National Defence will agree that at this critical time it is essential for the government to state its position with regard to the question of the acquisition of nuclear weapons. The government can state that it has no intention at the present time of acquiring these weapons, or it can take the position that it proposes to acquire them, but it must not leave the house in the position where it is denied an opportunity of debating this matter at the earliest possible moment when the government has made its decision.

I expressed the view yesterday, bearing in mind the well known device employed by this administration, that we might well find that the government will make a decision after adjournment and before we come back to this house. The country is now asking this government to declare its policy with regard to the acquisition of nuclear weapons. The government, before this debate concludes, if it wishes to discharge its responsibility, should face this question and tell us precisely where it stands.

We are entitled to know what is the government's policy about Canada accepting nuclear warheads. We know the position of the Secretary of State for External Affairs and we have very much suspected, from pronouncements of the Minister of National Defence, that he and his colleague are not in agreement on this subject. Indeed the Secretary of State for External Affairs and the former minister of national defence did not on this question seem to be in full accord. What conclusion are we to draw from the remarks of the Prime Minister in his speech the other day, when he paid to his colleague a tribute which he felt was deserved? He said idealism was something that was essential, but we had to recognize that opinions had to be changed from time to time, particularly in the discharge of responsibilities in this difficult and complicated period.

Are we to conclude from this that the government is about to make a decision with regard to the acquisition of nuclear weapons? Was this statement by the Prime Minister a forerunner of the government's intention? Was this a way of making easier the load of the Secretary of State for External Affairs? If that is the situation, then we certainly are warranted in asking the Minister of National Defence to say forthrightly where this government stands at this time with regard to the acquisition of nuclear weapons in Canada. We certainly cannot tell from the statement made by the minister on September 12, as reported at page 8223 of *Hansard*. The minister said, among other things, beginning in the second last paragraph:

> Defensive weapons with a nuclear capability may be required to maintain the credibility of the deterrent, and in the event that the worst happened would be required to provide an effective defence against Soviet aggression.

Then he said:

> The situation is much the same as that of a man living in a lonely cabin in the woods who fears he may be attacked by a bear. He does not wait until the bear actually attacks him to buy a rifle, but secures it beforehand and has it ready in the event of need.

One might well ask, with regard to that statement, does it mean—does the minister intend—that there shall be no ammunition for the rifle? What does the statement mean? Then he said:

> The Bomarc will form part of the defences we must maintain against the manned bomber as long as there are potentially hostile aircraft in existence that can be used against us.

These statements are the closest indication the minister has given of what the intentions of the government are, but they do not tell us what, in fact, the government really intends to do in this matter. This question is of vital importance. On February 20, 1959 the Prime Minister announced the government's policy. He announced that it was the government's intention to acquire nuclear warheads. I refer to volume 2 of *Hansard* for 1959, and the words of the Prime Minister as reported at page 1223 are as follows:

> The full potential of these defensive weapons is achieved only when they are armed with nuclear warheads. The government is, therefore, examining with the United States government questions connected with the acquisition of nuclear warheads for Bomarc and other defensive weapons for use by the Canadian forces in Canada, and the storage of warheads in Canada.

Then he went on to say that problems connected with the arming of the Canadian brigade in Europe with short range nuclear weapons for NATO defence tasks were also being studied. Then, in volume 1 of *Hansard* of last year, the Prime Minister said at page 73—

Mr. Harkness: On what date?

Mr. Martin (Essex East): On January 18, 1960. He said:

> We pointed out in detail that careful thought is being given to the principles that in our opinion are applicable to the acquisition and control of nuclear weapons. I proceeded to deal with our views in that connection and summarized those views by saying that the full potential of the Bomarc could be achieved only when they are armed with nuclear warheads.

He commented on the retention by the United States of ownership and custody of nuclear weapons and then, because he properly wanted to guard against the diffusion of nuclear weapons, he said that whatever was done, once the weapons were acquired we could be sure that they would be used only on conditions agreed to by the Canadian government. But later the government changed its mind. The Prime Minister said later that we would accept nuclear weapons from the United States only if there was joint control. The Prime Minister said he wanted the kind of joint control which prevails in the United Kingdom. Then on November 24, 1960 the Prime Minister added a new reservation, which was that no decision with regard to the acquisition of nuclear weapons would be taken as long as any progress was being made in the matter of disarmament.

The Prime Minister made it clear in his foreign policy statement on Monday that there was, indeed, no progress being made in the matter of disarmament. I agree with the right hon. gentleman that it is regrettable that notwithstanding the efforts of the Secretary of State for External Affairs and others, no progress in disarmament is being made. The test talks have been halted. The Soviet union now wants to integrate those talks with general discussions on disarmament. The Prime Minister is right in saying no progress

is being made in disarmament. But because no progress is being made in this direction are we to conclude, in the light of the statement made by the right hon. gentleman on November 24, 1960, that the government is now about to acquire nuclear weapons?

However, the Secretary of State for External Affairs does not share the Prime Minister's views as to whether or not progress is being made in this field. He said the other day in answer to what I had said that he was still optimistic about the possibility of progress in disarmament being made at the forthcoming session of the general assembly of the United Nations.

Who is right, the Prime Minister or the Secretary of State for External Affairs? If the Prime Minister is right, then the Minister of National Defence owes it to the country to tell us now what are the government's intentions in this matter, and not to clothe its intentions in words incapable of interpretation. Not to do so suggests that the government at this moment has not a clear and unambiguous policy.

As a matter of fact, the only definite statement we have had with regard to this matter is the statement of the parliamentary secretary to the Secretary of State for External Affairs. When he spoke in the foreign affairs debate he said, as reported at page 8162 of *Hansard*:

> The government's stand on this matter has been made quite clear. At the present time we say no, but if events should take place in the world that might require these weapons then the government would have to give reconsideration to that position.

The parliamentary secretary of course is not a member of the government, but he does hold an important post in the administration at the present time. He said that the present policy with regard to the acquisition of nuclear weapons is "No". This is the only forthright statement on this subject that we have had from this government in this debate. Is this the policy of the government? I ask the minister of defence now, is it a fact that the parliamentary secretary, unwittingly perhaps, has stated the real position of the government with regard to this matter? In any event, the ambiguity and the lack of clarity in the declarations of the minister deserve to be compared with what he is reported to have said in May of this year outside of this house. He is reported in the Toronto *Star* of May 20, 1961 as having said—

Mr. Harkness: I would be very careful with regard to anything they report.

Mr. Martin (Essex East): My hon. friend can correct me. If he thinks the Toronto *Star* has misreported him, let him so state. I do not want the minister to be misquoted. What I want the minister to do is to tell us precisely what the policy of the government is in this matter. This is what the minister is reported to have said:

> And no decision will be taken until a satisfactory agreement on joint control of such warheads has been worked out between ourselves and the United States.
>
> If nuclear weapons are acquired by the Canadian forces, they will only be used as the Canadian government decides and in a manner approved by the Canadian government.

Mr. Harkness: That quotation from the Toronto *Star* is right for once.

Mr. Martin (Essex East): My hon. friend says that the quotation is right. I thank him, because it advances the position one step further. Is it a fact that there is now awaiting Canadian signature an agreement with the United States which meets the conditions envisaged by the Minister of National Defence in this statement of May 20. Surely when we are discussing the estimates of the Department of National Defence, at what the Secretary of State for External Affairs said, is the most critical time since world war II, no government can function without giving parliament its views as to the situation and taking parliament and the country into its confidence. Surely that is the position. If the government takes the position at this time that it cannot state its position in any other way than it has done, let the minister give us the reason for this. We are entitled to know precisely what is the government's view and policy.

I mentioned yesterday the way the government treated parliament with regard to amendments to the Unemployment Insurance Act. Two days before parliament adjourned the government, through the Minister of Labour, said it was still considering amendments to the Unemployment Insurance Act, and within four or five days after parliament adjourned the government announced a royal commission to inquire into the whole question of unemployment insurance. We want to make sure at this critical time in human history that after the house adjourns this government does not make an announcement, when the house is not in session, on a matter of such vital concern to the people of Canada.

Our position is that we should not acquire nuclear weapons. The Leader of the Opposition has stated our reasons on other occasions. I went over some of them again the other day. Our reason is not that we do not want Canadians to be as efficiently endowed with the necessary instruments to provide for effective defence as others, but we recognize that the deterrent now exists in a primary way through the United States.

We want to discourage the diffusion of nuclear weapons. We share the government's view that we do not want war. We certainly do not want to see nuclear war. We do not agree with the Associate Minister of National Defence that we can now speak of war in terms of victory. If a nuclear war develops there will be no victor. Anyone who takes a contrary view is simply not conscious of the terrible, cataclysmic consequences which would result from the modern instruments of war. This is the situation, and so we want to discourage the diffusion of nuclear weapons. They now exist in the hands of a limited group. If we acquire nuclear weapons, how can we complain about other countries acquiring them?

We do not intend to become a nuclear power because we believe this is really beyond our resources. We believe that the fulfilment of our duty to our allies in NATO does not depend on the acquisition of nuclear weapons by Canada at this time. As I say, the deterrent now rests with the United States, and certainly if we were to acquire nuclear weapons in Canada—I am sure the Secretary of State for External Affairs has argued this to his colleagues—this would not help him in his negotiations and consultations with other countries at the United Nations. Therefore we are entitled to ask, what is the government's position in this vital matter?

I have asked the minister, as have other members on this side, for a clear and unequivocal statement of policy. Surely this house is entitled to that at this time. I will say that I agree fully with what the minister said yesterday on another subject. I refer to the criticism he levelled at the position taken by the hon. member for Kootenay West regarding his party's position on NATO. I agree with him that the reservation which binds the new party with regard to NATO is one which is contrary to the very constitutional set-up of NATO now. It ignores the fact that the nuclear possession of weapons, which forms part of that reservation, is an already existent fact. The only reason we have NATO is the failure of the Soviet union to implement article 43 of the charter of the United Nations, which would render unnecessary the existence of any alliance such as NATO itself.

I would recall to the hon. member for Kootenay West and others the words of their former leader, Mr. Coldwell, who on March 28, 1949, used these words with regard to NATO, as reported on page 2073 of *Hansard*:

> Contrary to the propaganda against the proposed North Atlantic treaty, the proposal is not an attempt on the part of so-called American imperialism to bring western European democracies into an alliance for the purpose of destroying the Soviet union. It originates in the anxiety of western European democracies to persuade North America to support them in a defensive union. They believed this would halt a threat of aggression and provide the necessary defensive strength so that if the Soviet union has aggressive plans against them she will be turned from that course and thus make possible the peaceful solution of existing difficulties and problems.

Those words of Mr. Coldwell reflect what has happened. I agree with the Minister of National Defence that if it had not been for NATO we might have found ourselves the victims of aggression. In any event, as Mr. Coldwell has said and as we know and as the hon. gentleman knows, our membership in NATO has to do with its defensive purposes. We complain, of course, and no one has done more in that regard than the Leader of the Opposition, about its failure to live up to the economic objectives of article II of the treaty. Of course. But at this time when individual countries vis-à-vis the Soviet union would be outnumbered, what is there for like-minded nations of the free world to do other than combine in a defensive alliance?

There may be difficulties. My hon. friend has difficulties about West Germany. That is understandable because of his participation in the first world war. But the fact is that a realistic examination of the situation suggests that there was nothing else for Canada to do in 1949 but to join the North Atlantic Treaty Organization, so strongly supported by the leader of the C.C.F. at that time, and a year ago violently opposed in this house by the present leader of the C.C.F., now constituting itself into a new political group that now, under duress by its existing leader, gives support to NATO on terms that would render impractical the operation of that body. That is a fact that hon. gentlemen must not overlook.

I agree with the Minister of National Defence with regard to his complete answer yesterday, in which he pointed out that NATO is now a nuclear power. He forgot to mention the declaration made by General Gruenther in 1957, I believe, with regard to the intentions of NATO in that respect. On this point I am in full accord with the minister. We have given indication in this house that we appreciate the problems facing the administration at this time with regard to the current crisis in Berlin.

But having said that, I repeat to the Minister of National Defence my view that when we are discussing these estimates, estimates involving so much of the treasure of this nation; at a time when we are all concerned about the dangers that lurk ahead, dangers that have been characterized by the Secretary of State for External Affairs as indicating that we are on the brink of war,

the refusal of the Minister of National Defence in the face of that situation to state clearly what is the government's position with regard to the acquisition of nuclear weapons is in my judgment, I say respectfully, a misreading by the minister and the government of their obligations to the house and to the people of Canada at this critical time.

Mr. Harkness: Mr. Chairman, in his usual manner the hon. member for Essex East has made such statements as "the government must declare its position now on nuclear weapons"—

Mr. Martin (Essex East): Hear, hear.

Mr. Harkness: —and so on, as though the government had not made numerous statements in connection with its position on nuclear weapons.

Mr. Hellyer: Too numerous. That is the trouble.

Mr. Harkness: All these statements are along the same line.

Mr. Hellyer: Each one different from the previous one.

Mr. Harkness: I think they make the position quite clear. The hon. member for Essex East read part of the statement made by the Prime Minister on February 20, and he referred to one or two other statements. Actually the position the government has taken with regard to nuclear weapons was outlined in statements by the Prime Minister on February 20, 1959, January 18, 1960, February 9, 1960, July 4, 1960, and July 14, 1960.

Mr. Martin (Essex East): I read them all.

Mr. Harkness: The hon. member for Essex East read parts of one or two of those statements, and I think the parts he read made the situation quite clear. I do not think there is any need for me to take up further time of the house in rereading them. They are there, they are quite definite, and I see no reason why the hon. member or any other hon. member needs to be in any doubt as to what has been the position of the government on nuclear weapons. What the hon. member is trying to do is bludgeon me into making a yes or no statement at this time as to the securing of nuclear weapons. I tell him right away that he is not going to bludgeon me into making any statement before the government is ready to make it.

Mr. Pickersgill: Before it makes up its mind.

Mr. Harkness: As I say, the position we have taken has been outlined and I think it is quite clear. This business of "you must say whether you are going to get nuclear weapons and when you are going to get them", and so on is not going to get the hon. member for Essex East or anybody else in the opposition any further ahead. As I said, our position has been stated. It is there, it is clear and definite, and I am not prepared to make any further statement at this time along the lines on which the hon. member for Essex East has been insisting.

Mr. Hellyer: Will the minister permit a question? Will he say whether the policy is the same as it was in May, when he is reported as having said in Victoria, as found in the Victoria daily *Colonist*, a paper not too unfriendly to the minister—

Mr. Harkness: A very good paper.

Mr. Hellyer: A very fine paper, the minister says—with respect to the decision regarding nuclear weapons: "Mr. Harkness stated the time to make a decision is when the time comes". Is that still the position of the minister?

Mr. Howard: Mr. Chairman, I have listened with a great deal of interest to the remarks of the hon. member for Essex East, and I have read as carefully as I could the speeches made in this debate by members of the Liberal party, of the government party and of this party. It seems to me that what must logically follow from those things advocated by the hon. member for Essex East, and I am sure other members of that party are associated with him in this regard, is that he is advocating that Canada should become a full-fledged nuclear power in possession of all these hellish weapons that now exist. I think that is the government's attitude too, even though it has not yet had the courage to make such an announcement.

I should like to make a few comments about NATO and the remarks of the hon. member for Essex East in that regard, because he had such an intense interest in certain political developments about a month ago indicating that he perhaps wished that he belonged to a party that had such enthusiasm and such feeling. He says—so does the government, and I think we all agree—that NATO is a defensive military alliance and that its purpose primarily is that of defence. However, I think what we are doing is placing an awkward interpretation on the question of defence and trying to show that the organization is different from an offensive or aggressive military organization; because to my knowledge it was stated for the first time yesterday by the Minister of National

Defence that NATO has had a nuclear strategy, as I believe he put it, since 1954, and therefore is a nuclear power to a certain extent.

I think we must say that the type of defence that NATO has is one based on offence, just as the type of defence that the Soviet union has is one based on offence. The United States also agrees, as I understand it, that the type of defence which is based on nuclear weapons is not primarily the type of defence which means that you try to shoot down and destroy all or as many of the invading forces' equipment as you can, but one which rests upon the threat of retaliation and the threat of wreaking nuclear damage upon the invading country to as great an extent as possible. This is a type of defence which is really offensive, and offensive in two senses of the word.

The hon. member for Essex East made reference to some speeches by Mr. Coldwell in 1949, during which he made some comments about NATO itself. In this regard, I think we must remember that 1949 is not 1961, and the attitudes and concepts that were originally conceived for NATO are entirely different from those which exist today. The Leader of the Opposition, a very close friend of the hon. member for Essex East and a former secretary of state for external affairs, had a hand in the development of NATO, the use of the forces, and is given the credit for the inclusion of article 2 in the NATO agreement; at least, that is my understanding. I understand also that had it not been for the insistence of the then secretary of state for external affairs, perhaps the agreement would not have contained any reference to economic co-operation, as it does at the moment.

This was one of the primary thoughts Mr. Coldwell had, and it was one of the primary thoughts the Leader of the Opposition had then, I am sure; that we need to develop economic co-operation amongst these nations, and this would be a good means of competition, as it were, with the Soviet union's economic offensive in which she is engaged and has been engaged for some time in various parts of the world. In 1949, at the time Mr. Coldwell made his comments, NATO was not a nuclear power and did not have nuclear weapons. It was conceived as an organization which would be economic, and in the military field would be dealing with conventional weapons. It was not until 1954, as the Minister of National Defence revealed for the first time yesterday, that NATO became a nuclear power or accepted, as the minister put it, nuclear strategy. I will use his words so that I may not be accused of transforming what he said into something else.

[Mr. Howard.]

These conditions did not exist in 1949. The concepts and ideas that Mr. Coldwell had when he endorsed the plan, and which the then secretary of state for external affairs expressed, are different from those which exist at the moment. In 1949 West Germany was not rearmed. This event took place at the insistence of the Leader of the Opposition when he was in office. Former nazi generals, as has been mentioned so adequately and no doubt will be repeated by the hon. member for Kootenay West, were not in control of and exercising influence over NATO affairs. These are factors which make the situation entirely different. When the hon. member for Essex East cites what Mr. Coldwell said in 1949 and says this is inconsistent with the attitude that exists today, he might as well go back to some of the comments of Julius Caesar and say they apply equally well today.

We support and have always supported the ideals and attitudes for which the present Secretary of State for External Affairs has worked, mainly the promotion of disarmament discussions leading to a disarmament agreement. All the other connected attitudes, ideals and concepts of the present Secretary of State for External Affairs receive our whole support. We are just as sorry as he is that the Soviet union saw fit to destroy what little faith may have existed in its present administration in any part of the world by the resumption of nuclear tests in the atmosphere. We regret also, along with the Secretary of State for External Affairs, the fact that the United States has been placed in a position of again participating in nuclear bomb tests.

I believe, Mr. Chairman, it will be necessary to make some reference to external affairs because, in my opinion, the attitudes of the Department of National Defence in relation to other countries are interwoven with the attitudes of the Department of External Affairs. We feel that the Secretary of State for External Affairs is one of the most sincere, dedicated and humble persons within the present cabinet. We wish him well in his endeavours along the lines upon which he has been working ever since he took over that particular office. We would like to see the Soviet union discontinue this bomb testing. Quite frankly, however, I do not know how this end could be accomplished except by expressing pious hopes, because this is something that is within the ambit of the Soviet government. I do not know how outside influence can be brought to bear on the Soviet union to cease and desist.

Mr. Hellyer: Send them a telegram.

Mr. Howard: Well, I think that sort of communication would have more effect if it

came from the Department of National Defence than if it came from me. However, that is about the extent of this government's effectiveness in the world today. A telegram would be about as effective as anything else.

We wish there would be a resumption of disarmament discussions. We wish the Secretary of State for External Affairs would find that the countries would come to an agreement on the ideas which he has been propounding for a number of years. Unfortunately, though, I think he is whistling in the dark, and for a variety of reasons. The first reason is the attitude of his own government, because it is inconsistent with his ideas. We have heard references to the so-called troika principle being advocated by the Soviet union. I think we realize, too, that we have a troika principle involved in the present cabinet. We have the triumvirate of the Prime Minister, the Minister of National Defence and the Secretary of State for External Affairs, all engaged in the same general activity—

Mr. Martin (Essex East): What about the Minister of Trade and Commerce?

Mr. Howard: Well, the Minister of Trade and Commerce was unofficially rebuked today for something he may have said in Ghana. Perhaps there will be a revision of the text by the time it gets back to Canada and everything will be straightened out. However, we find that the Secretary of State for External Affairs is in a minority within this triumvirate. We find that the Minister of National Defence does not agree, and never has agreed, with the promotional work done by the Secretary of State for External Affairs. The other day we heard the Prime Minister practically cut the feet from under the Secretary of State for External Affairs on this question of promoting disarmament.

We do not wish to see those ideas of the Secretary of State for External Affairs sacrificed for the ideas of retired colonels who still wish they were in the armed forces and able to direct people around the country in somewhat the same manner as they did before. I say that almost as soon as this government took the decision—and this matter was brought to a head in some decisions the Prime Minister had made—to scrap the Arrow and buy or obtain the Bomarc, at that time the government in its own mind made the decision that it was going to have nuclear weapons, tactical or otherwise, in the hands of Canadian troops on Canadian soil. However, it has not yet the courage to stand up and say that this is its attitude. It is waiting for a propitious moment. It is waiting for public opinion to be built up slowly by these slight comments of the Minister of National Defence and the Prime Minister, and the variations in their policy with respect to their acceptance of nuclear weapons.

However, I venture to say that we shall have them on Canadian soil. I venture to say that we shall have them attached to the Bomarc missile when and if we get it and when and if it is operated. I venture to say that we shall have it attached to the Honest John or the Dishonest John—whatever way you want to put it—type of missile, and that we shall have it on the Voodoo aircraft. As to this attitude that the Minister of National Defence is taking, as I say he has not the courage to say so in so many words. This is a disgraceful state of affairs and in my opinion it is not too helpful in promoting any sort of war for peace on the international level.

I believe Canada has had a certain degree of respect among the other nations of the world for a number of years. However, we are gradually losing that admiration and that degree of respect which previously existed because we are becoming more and more closely allied and, to a large degree, subservient to the United States military machine. This fact is becoming recognized throughout other countries of the world. It is not our participation in NATO from which this development has arisen. As soon as the NORAD treaty was signed—and I might say that it was endorsed by both the government and the Liberal forces in this House of Commons—this was another indication that our military welfare or our so-called defence welfare and our economic welfare rested in the hands of these people in the United States.

During the course of this debate it has been stated that this is a time of crisis, a crucial moment, when we should have cool heads, logical thoughts and a non-partisan attitude in order that we may show a united front to the enemy whoever he may happen to be. By those hon. members who spoke earlier the feeling was also expressed that differing ideas were welcome, because we wanted to develop a policy that would be effective in promoting peace. One hon. member—I shall not make reference to him personally—spoke about there being a bipartisan foreign policy in Canada, and said it was too bad there was not a tripartisan foreign policy in Canada. Then he engaged in what I thought was a most unwarranted and uncalled for condemnation of the hon. member for Peterborough with respect to the remarks that hon. member had made in this house on the estimates of the Department of External Affairs, and on defence also.

That sort of thing does not add in any way to a unified feeling or unified desire to

reach a solution of these problems in so far as Canada is concerned. If, as there have been in this house, accusations of treason, treachery and selling out to the Soviet union are going to be made by members on the government side against members who may have different points of view, I submit that this does nothing to develop any conscious, sensible, unified approach to these particular questions. It is true that the hon. member for Peterborough has ideas which are different from those of the government. The hon. member for Essex East has different ideas, or so he said a moment ago.

Mr. Martin (Essex East): Very different ideas.

Mr. Howard: The hon. member for Trinity has different ideas. However, there is no desire to label these hon. gentlemen as treacherous souls or treasonable types because they expressed different points of view. I do not understand why members in this House of Commons will say on the one hand, "We want to develop a non-partisan attitude on defence policy matters", and then will turn around, for political reasons, and get involved in the accusations that were levelled against the hon. member for Peterborough and the hon. member for Kootenay West. As I say, I think it is regrettable that there does not exist in this house at the moment a degree of respect for differing views.

Before I conclude my remarks I should like to make a comment or two about the question of disarmament. As I have mentioned on a number of earlier occasions, it is an objective toward which the Secretary of State for External Affairs has been working for a number of years but which, of course, has been fairly well scuttled for the time being. I submit again, as I have stated earlier, that all the negotiations and discussions that have been going on throughout the approximately 340 meetings that were held, to a certain extent could not hope to come to fruition. They were not in themselves pointless, as they laid the groundwork for certain areas of agreement to be developed; but as I have said on a number of occasions, there is not going to be any disarmament unilaterally by either the United States or the Soviet union. I also submit that there is not going to be any disarmament by those two powers by agreement. Hence all these speeches and wishes about a disarmament agreement being reached between the United States on the one hand and the Soviet union on the other hand were just pious hopes. They were about something that was not going to happen.

Neither the United States nor the Soviet union was going to enter into such an agreement for disarmament, regardless of the conditions about inspection and the like, because there is in the world today a third growing military power, which was recognized by the Secretary of State for External Affairs as a necessary part of the discussions. I refer to China. So long as China is a growing military power and if, as we are led to believe if we can accept the reports that emanate from various government sources, China will be a nuclear power perhaps within a period of five years or less, you are not going to see the Soviet disarm with China building up, and neither are you going to see the United States disarm. What I think will happen if these disarmament discussions are resumed—and I think it should have happened previously—is that China will become a part of them. Without China becoming a part of them they are not going to end up in any agreement one way or the other. All we shall be doing is meeting, talking and building up our nuclear forces. Without China in these discussions I think they are to a great degree, although not entirely, a waste of time.

Mr. Pearson: Mr. Chairman, a few moments ago the Minister of National Defence told us that he was not going to be bludgeoned into making any further statements with regard to government policy on the use of nuclear weapons. May I say that nobody wishes to bludgeon him. However, we still hope that he will be able to make a statement in order to clarify a most important matter which we think is not clear.

His attitude reminds me of a story which perhaps I may tell the committee. It is the story of a young subaltern who had just received his commission in the army and was taking his platoon out for a march for the first time. He was leading the platoon up a hill, and at the top of the hill there was a precipice. As his platoon got closer to the precipice the young officer became a little panicky because he could not remember the order to change direction. I know how he must have felt. As they got closer and closer to the brink—and we are told, in another context, that we are on the brink now, in a more serious way—he became less and less able to think of the proper order, until finally on the very edge of the brink his sergeant turned to him and said, "For heaven's sake, sir, say something, if only good-bye".

We do not want the minister to say good-bye, at least not in this sense, but we do hope he will give us a clearer statement on this vital issue—and I will deal with this later in my remarks—than we have received over the years from any member of the government, though we have received a fairly clear statement, I admit, from one of the parliamentary secretaries.

This discussion of defence is being held in a world situation, the critical nature of which has been emphasized to us by the Prime Minister, the Secretary of State for External Affairs and other leaders of western governments. It is impossible, of course, to think of a more serious subject at a more serious time than what we should do to defend the peace, which is the only secure defence of our country, in this situation. While, of course, we do differ very strongly with government attitudes and government policies in the implementation of government objectives which we share, we do not disagree—and this has been pointed out by other hon. members of this committee—with what those objectives should be; security, defence through peace, and preparations to that end.

The Associate Minister of National Defence had this to say in his contribution to this debate on September 12. I quote from page 8241 of *Hansard*. Reference was made to this statement by my hon. friend from Essex East this morning:

> If the worst should come, and if we have to fight again, I do not hesitate to say that we shall once again win the battles of tomorrow just as we won the battles of yesteryear, and this for many reasons.

Mr. Chairman, if the worst comes—and there is no reason why it should come—we will not win the battles of tomorrow in a nuclear war, because not only is it impossible to win a nuclear war but it is impossible, we are told by experts, even to wage one. So I think no one can get any comfort out of the fact that we will win the battles of tomorrow, if these battles are permitted to occur, by a breakdown in the sanity of man.

That does not mean, of course, that in the face of this situation we should just give up, sit back, wring our hands and say "Nothing can be done about it", and look around for an escape to some other planet. Perhaps that will be within the bounds of possibility in a few years. But it does mean that before we act and before we decide on policies we should be aware of not only the problems of defence but of the shifting and changing nature of those problems and what we in Canada can do to help solve them, not merely as a nation laying down policies for national defence—up to a point that is still required—but far more important, what we can do as a participant in collective defence, which is the only way we can develop enough strength to constitute a deterrent to aggression.

I have no quarrel of any kind with the minister in his emphasis on the necessity of collective action or indeed on the necessity at times of subordinating the requirements of independence, in the pursuit of national defence policies, to those of interdependence.

This defence debate is the first we have had since this parliament met last November. In the first part of the session there was practically no discussion of defence problems. There was no defence committee discussion; there was not even a committee to discuss defence expenditures. In the face of the absence of earlier consideration of this vital matter, I think we had the right to expect from the minister and the government a report which would have gone into some of the essential problems of national defence, and a statement from the minister at this time which would have dealt with this matter in a fundamental way. We should have the kind of statement the United States congress gets periodically from the leaders of the government, the kind of statement the United Kingdom parliament gets from its minister of national defence. I refer hon. members of the committee to the kind of debate they had in that house some months ago, a debate on defence which was made possible because of the statement first made by the minister with regard to government policy on defence. And because of the white paper published which laid down the principles which govern British policy in defence.

Instead of that kind of white paper we got this blue book which was issued a few months ago, which in a very inadequate way told this house of the problems with which we are faced in this country in defence strategy, defence planning and defence policy at this particular time. It is similar to the minister's statement the other day which was inadequate and uninformative on these basic questions of defence policy.

So far as I can gather, the minister's position is that the plans and policies we have been pursuing for the last four years are still valid; they still stand up. In spite of what may have happened in the world, we continue along those lines. If you like, we continue in this particular rut, that everything is fine and unchanged and no new policy is required, except perhaps to substitute some United States equipment for Canadian equipment, especially in the air. Apparently we must not keep changing our minds. The minister makes great play over the fact, as he puts it, that we on this side of the chamber, and I in particular, have changed our minds over recent years with regard to defence matters.

Believe me, Mr. Chairman, that is true, because the situation has changed greatly in the last four years and a person would be foolish not to alter his own views in the light of these changing situations. But the

minister says that no change, as far as he is concerned, should be made. That seems to be the policy of the government, except perhaps with regard to a change in the attitude of the Secretary of State for External Affairs which is now being forecast by the Prime Minister.

With regard to the desirability of changing policies to meet changing situations let me quote one sentence from a statement made by the director of the institute of strategic studies in London, which is an organization that has done a great deal of important and fundamental research in the matter of defence problems and what can be done to meet them within Great Britain and the coalition. The director of this institute—and I heartily agree with what he says—said a few months ago:

> I think you would agree that, in a field of policy as rapidly changing and as crucial as our own, it is both natural for one's views to be undergoing a constant process of refinement while at the same time it is cowardly not to make it clear when they have significantly changed. I have a great respect for those who think differently from myself. The only people I distrust are those who say "I made up my mind many years ago and have never seen occasion to alter it since."

In particular, in this development of conditions which we think necessitate a change of policy we are concerned with the attitude and the policy of the government with respect to Canada joining what has been called the nuclear club. My hon. friend from Essex East expressed this concern this morning and I propose to deal with it also, though what he said makes it unnecessary for me to say as much as I otherwise would have done. Yesterday the minister, as I read his remarks in *Hansard,* depreciated the significance of this matter because, he said, it had been decided in NATO many years ago, in 1954; and that from 1954 on, all members of NATO were members of a nuclear club.

I hope to go into this matter in greater detail later, because that was a most important statement made by the minister during this debate. We should like him to substantiate what he said and give us grounds for his assertion that the members of the NATO organization have made an agreement which makes them members of a nuclear club. We should like to know the nature of this agreement. We ask the minister again, as we have asked him before, whether in his opinion Canada is now in this nuclear club. If he was right in what he said yesterday, the problem is solved; we are now a nuclear power. If not, we ask him this; whether Canada is now about to join the nuclear club.

I hope the minister will not consider us as bludgeoning him when we persist in seeking a clear-cut statement on this vitally important matter. I am not satisfied yet, despite what the minister has said. Are we in Canada committed to the acceptance and use of nuclear weapons not under collective control, as would be the case, I would hope, in NATO—at any rate it should be the case—but under the control of our own government, with a veto exercised by one other government? I insist, notwithstanding what the minister has said this morning, that there has been shilly-shallying, procrastination, delay and indecision in the government's policy. Moreover, there has been confusion in government statements on this vitally important question.

The Prime Minister asked a question in Halifax a few weeks ago, a question directed to his audience and, presumably, to the country. It was a very significant question. I quote from his statement:

> Would you, in 1961, faced by the overwhelming power of Soviet might in East Germany close to West Berlin place those who guard the portals of freedom in the position of men armed with bows and arrows?

He added:

> It is as simple as that.

Mr. Chairman, it is nonsense to say it is as simple as that, or to try in this way to oversimplify one of the most difficult, dangerous and complicated questions which face us today by putting it in those terms. This particular approach to the problem was answered by the Minister of National Defence himself when he said—and I quote his statement—

> The strength of the union—

This is quite true, of course; he was talking of NATO.

> The strength of the union is the sum of the strengths of the individual members, and the total strength of the west thus marshalled is formidable indeed.

Then he went on to say:

> Individual members do not have to maintain a balance of all the forces which go to make up modern military power.

Therefore to suggest that each individual member of NATO must be able to equip itself with all the weapons of modern war and that, failing this, they are being asked to face the enemy with bows and arrows simply does not make sense. Indeed, this particular argument was exploded only this morning by the Toronto *Globe and Mail,* a paper which the minister will respect. Referring to an analogy which is becoming, if it has not already become, the minister's favourite, that of the man in the lonely cabin armed with a gun while a bear prowls around outside—the minister does not tell us what the man is going to use for ammunition in his gun—the newspaper said:

The picture this conjures up, intentionally or otherwise, is that of Canada facing single combat with Russia and considering whether to become a fully fledged nuclear power to deter the prospective enemy. This is not the problem at all. Canada has no hope of becoming a nuclear power. To build long range rockets and the like as a deterrent is altogether beyond her resources. Nor is the question really the direct defence of Canada against bombing raids or invasion. The basic issue is whether Canada needs certain nuclear weapons to carry out her obligations to her allies.

That is the responsible approach to this problem, not the one indicated by the terms used by the Prime Minister in Halifax. This particular editorial concludes by pleading for the kind of responsible approach to this question which I have mentioned; that the attention of the public should be drawn to these responsible aspects of the issue rather than romancing about bears and cabins.

It seems to me, notwithstanding what the minister said, that this decision in essence, though unannounced, must have been made by the government some time ago, yet it has not been told to us and a smokescreen of uncertainty and indecision is being put around it. And if that decision has not been made in connection with nuclear weapons, the government is surely guilty of complete irresponsibility in spending millions of dollars on weapons which can only be effective to their maximum extent—and presumably we want our weapons to be effective to their maximum extent—if they have nuclear warheads.

The former chairman of the chiefs of staff committee, now free of the restraints of official responsibility, is able to talk freely on this subject, and he is talking very freely according to the press this morning. He has contributed a pamphlet on Canadian defence policy in the nuclear age for the enlightenment of the Canadian people. I am sure the minister has studied this document, and I am sure General Foulkes is a man whose opinion will be respected by the minister as it will be respected by this house. He says, and I quote from page 15 of this pamphlet:

Canada has accepted a forward task for the brigade group in the shield forces in Europe which requires heavy support for its infantry. The government has agreed to provide for this support the Honest John 762 mm. close support rocket which requires an atomic warhead.

This is perhaps the foremost military authority in this country speaking, and he says here is a weapon which requires an atomic warhead. Will the minister still tell us that the government has not decided whether it is to be given such an atomic weapon warhead? Remember, we have bought this weapon and are spending a lot of money on it. Then the pamphlet goes on to say:

Eight of the day fighter squadrons—

Not all of them.

Eight of the day fighter squadrons are being converted to reconnaissance strike squadrons, and the government has decided to equip these squadrons with the F-104 strike aircraft which is to be armed with a small atomic bomb.

This is General Foulkes making the categorical statement that the aircraft which is to be used by eight of our squadrons in Europe is to be armed—not "may be armed"—with a small atomic bomb.

Mr. Harkness: What page is that to be found on?

Mr. Pearson: At the bottom of page 15, the last paragraph. General Foulkes goes on:

To carry out these roles which the government has accepted—

That is the strike attack role in NATO which we quarreled with in the beginning.

To carry out these roles which the government has accepted, these atomic weapons are necessary.

Then he goes on, at the top of page 16:

The Bomarc missile requires an atomic warhead and two of these air defence missiles will be located in Canada. If any new fighters are procured to replace the CF-100, these fighters will require an air to air atomic missile.

What does all this talk mean? Does it mean that the government has made up its mind in the light of the emergency threat today, in respect of atomic bombs or not? The kind of double talk we have heard goes back a long way. The minister and the hon. member for Essex East quoted from the Prime Minister's statement of February 20, 1959. I will not repeat the whole quotation which is the origin of this problem in its Canadian aspects. The Prime Minister said then:

The full potential of these defensive weapons is achieved only when they are armed with nuclear warheads.

Either we wish to use a weapon which will not achieve its full potential, and that is a strange basis for military policy, or we decided in February, 1959 to acquire the nuclear warhead without which the full potential would not be possible. As was pointed out, the Prime Minister has confirmed that statement on different occasions. I am not going into all the statements. The minister knows them and we have put some of them on the record. If they mean anything at all, surely they mean that. In essence this decision must have been made, unless we are to equip our forces with weapons which are not to achieve their potential capabilities.

While this decision must have been made in principle, we cannot get any clarification from the government now as to whether it has been implemented in the light of that basic decision made at that time. The minister

said the other day that it would take two years to two and a half years—I think he used the expression "lead time"—to get our troops trained to use this kind of equipment, that we ought to be beginning to get the equipment now because it will take two years to two and a half years—

Mr. Harkness: Excuse me. If the Leader of the Opposition is referring to my speech, I did not say that. I said that in order to acquire these modern systems and train troops to use them it would take a lead time of two or three years or more. Most of that time is taken up in actually getting the equipment after it is ordered.

Mr. Pearson: I accept the minister's statement, but the statement made by the Prime Minister, which I have just quoted, was made more than two and a half years ago. If that was the decision of the government at that time there has been time to proceed along the lines which the minister has indicated.

Then on March 10, 1959 the Prime Minister made the same kind of statement. On July 3, 1959 General Pearkes, the minister's predecessor—perhaps I may interpolate and say I join very warmly now in the tribute of affection and respect which the minister paid to his predecessor—said, as reported at page 5415 of *Hansard*:

> I presume that eventually the Canadian forces will be equipped with atomic weapons.

It seemed to be a matter of some urgency at that time, but this urgency seems to have disappeared at least in part in 1960, because in a speech to the Canadian club in Ottawa on November 24, 1960, the Prime Minister had this to say about this matter of atomic weapons:

> We have taken the stand that no decision will be required while progress toward disarmament continues.

That was not the kind of decision the Prime Minister made in February, 1959, yet in November, 1960 he said:

> To do otherwise would be inconsistent. When and if such weapons are required then we shall have to take the responsibility.

Then a little later:

> In other words, this problem is not one requiring immediate decision.

If it takes our forces two years or two and a half years to be trained in the use of those weapon systems, if they need that lead time—and I am sure that is true—if that is so, in the light of the international situation which faces us today and which was pretty serious in November, 1960, to say that this problem is not one requiring immediate decision seems to me to be very unrealistic, especially in the light of previous statements made on the subject.

The Secretary of State for External Affairs threw some light on what seems to have been this changed attitude when he said in the House of Commons on May 2 that the decision to acquire nuclear warheads depended on progress made in the next few months toward disarmament. We have had those next few months. Goodness knows during that time there has been no progress made toward disarmament, and we all deplore it. But if the Secretary of State for External Affairs was right, then a decision should have been made by now on what to do in the light of this absence of progress. The minister himself said the same thing, as reported in the Winnipeg *Free Press* of May 20, and I hope I am quoting him right. He was referring to the disarmament talks and said:

> If the talks fail we will have to make decisions on nuclear armaments.

Will the minister even now, in spite of what he said a few moments ago, tell us what is that decision?

It is not possible for me, and I do not think it is possible for other members of this committee, to divorce these matters of arms and equipment from the purposes for which they are to be used, from the objectives of defence itself. In this connection I think first of continental defence. For the purposes of continental defence we are linked up now through NORAD. Incidentally I would like to correct what the previous speaker said, namely that the Liberal party approved NORAD in this house. That is not the case.

We now have for continental defence ten squadrons of CF-100's, linked with United States planes and equipment for continental defence. The NORAD agreement was entered into by the present government and we criticized it at the time as being inadequate and ineffective, and as not providing, as they should have provided, for NORAD being part of NATO. There have been these ten squadrons of CF-100's which, as we told the government a year ago, were obsolete in performance to do the job which they were originally asked to do and obsolete also, as the hon. member for Trinity pointed out so effectively the other day, in regard to the purposes of continental defence in 1961, not as it was in 1957 and 1958.

We have suggested a reduction in the number of continental defence squadrons and the alteration of some of their duties, alteration perhaps if after due examination that turns out to be feasible, of their association with United States defence forces through NORAD, perhaps a return to the kind of defence association which we had before NORAD. That position was ridiculed by members of the government, but within the

last few months they have reduced the number of defence squadrons from nine to five, and have announced their intention of re-equipping the five, not with the Canadian Arrow, which has been sunk without trace—there is not even a trace adequate for exhibition in the air museum—but with an American interceptor.

It is clear now from what the minister has said, and I do not quarrel with this doctrine, that the major purpose, in fact the only purpose, of continental defence which makes sense in the face of the kind of attack to which we would be subjected is to protect the deterrent, the strategic air command of the United States, which is our deterrent. The purpose is not now the defence of Canadian cities, the defence of the Canadian people and the defence of Canadian soil, because there is no such effective defence of that kind against the kind of attack we would be bound to have. To give the impression that interceptor squadrons can give the people of Canada that kind of protection is cruelly misleading. What defence there is now has to be the defence of the strategic deterrent which it is hoped will be permitted to get into the air and fly off toward the enemy before that capability is destroyed by the destruction of the bases. That is now the basis of continental defence, presumably both by planes and by missiles.

But even that basis is shifting and changing, as the hon. member for Trinity pointed out so clearly the other day, because the deterrent itself is changing. It has changed very greatly indeed since we talked about defence over a year ago in this house. So far as the deterrent now is concerned, it is admitted by those who are planning strategy in the NATO capitals that we cannot rely on fixed bases which would be knocked out of action in a few minutes. The deterrent has to be mobile. It has to be mobile in the water through Polaris submarines and it has to be mobile on land. So in the face of a mobile deterrent the kind of protection which it was hoped these squadrons and Bomarc missiles might have given a year or two ago really does not make very much sense.

It may be necessary for the United States to keep them. The United States is a great power with great resources, and has responsibilities over the whole world. Having regard to the position of the United States it has to plug up every loophole even by maintaining equipment and planes which even in their own eyes may be obsolescent. But a country like Canada, which has resources that are limited and which in the nature of things can only play an important but subsidiary role in general strategy, has to be very careful indeed how it allocates its resources for the collective defence. While it may be necessary for the United States to maintain these squadrons and missiles for the time being, surely we are not making any effective contribution to the protection of the mobile deterrent through a few squadrons of interceptors, armed with nuclear weapons, and two squadrons of Bomarc missiles also equipped with nuclear warheads. If we rely on that kind of strategy and planning for our contribution to continental and collective defence, our participation and our policy will become as fixed and ineffective as fixed bases for strategic air forces are now ineffective in the light of new methods of attack.

I think it is in that context that we have to look at the role of the interceptor in continental defence, and if necessary to re-examine and revise that role and the arms that we may require in the air, on the land and on the water to meet this new situation. We recall very vividly that two years ago we were told that the bomber threat had diminished to the point where we scrapped the Canadian Arrow. In the speech made by the Prime Minister in the House of Commons on February 20, 1959, from which I have already quoted, he sought to explain why that decision was taken, a decision with which we quarrelled at the time and which we criticize even more now in the light of what has happened.

He justified that decision, as found on page 1221 of *Hansard*, on the ground that "the bomber threat against which the CF-105 was intended to provide defence has diminished". If we scrapped the CF-105, a great Canadian achievement, because the threat had diminished, why is it that in 1961 we are equipping our air force with United States Voodoos to meet a threat which in 1959 was supposed to have diminished to the point where a Canadian interceptor of this type was not needed? The then minister of national defence, General Pearkes, said in the same debate on February 23, 1959, as found on page 1280 of *Hansard*:

> ... the threat of the manned bomber against this country is diminishing.

He went on to say:

> It would therefore not seem to make sense for us to go ahead and develop an interceptor which would be ready by the end of 1961 and which could be in squadron operation by 1962, to meet a threat which would hardly exist at that time.

A threat which would hardly exist in 1962, according to the then minister of national defence. Yet as we approach 1962 we are equipping five squadrons of our air force with United States interceptors, presumably to be armed with nuclear air to air missiles.

What has happened, Mr. Chairman, that has caused this change of viewpoint on the

part of the government in defence planning and the means of meeting the threat? The Minister of National Defence in a speech in Montreal last February, I believe—he will correct me if I misquote him—rather ridiculed the idea that there was no longer a bomber threat to this continent. His predecessor said a couple of years ago that threat would be over in 1962. So let the government tell us why in the summer of 1960 the Minister of National Defence changed his views on this matter. Let the government tell us now in the light of the information they have why they consider bombers to be such a threat at this time as to require the continuation by Canada of the defence policy of meeting that threat through interceptors and through NORAD. After all, NORAD is merely an agency of co-operation, not something that stands on its own feet, and the alternative to it is not non-co-operation, because we must co-operate with the United States in continental defence. The alternative is a return to the methods of co-operation that existed before NORAD, and which were effective at that time. Perhaps the minister will deal with this particular problem at some stage during the debate.

Our role then, as we see it, is not one of non-co-operation in continental defence. It is not one of defaulting on our obligations or betraying our friends and allies. It is one which we hope will be more effective for Canada, more appropriate for Canada, than that which we took on a few years ago and to which we now seem to be bound with no room for manoeuvre or change.

We agree that Canada can play a very important role and is playing a very important role in early warning, a suitable and appropriate role, but even that particular role will soon be diminished in importance. I should qualify that by saying that Canadian participation will be diminished in importance, when it becomes a matter of warning against missiles rather than warning against bombers, because in the case of a ballistic missile early warning system we are up in the realm of billions of dollars of expenditure, and it is not likely that we will be able to play a very significant part in that particular effort.

In the realm of anti-missile missiles, which gets us into even more astronomical figures, Canada's role is less important than early warning may be. Yet it is obvious that the Royal Canadian Air Force still has to have continental planes. We have to have planes for reconnaissance, for sky patrols and to intercept and shoot down at least the isolated intruder, as we have argued for some time and as the government now agrees. However, we do not, in the carrying out of this role effectively, have to arm ourselves, as we see it on this side, in a way which brings us into the nuclear club. We do not have to have two squadrons of Bomarcs for this purpose, the missiles for which are supplied by the United States and which, in effect, would be under the control of the United States.

The Prime Minister and the Minister of National Defence make a great play about joint control and the fact that we would not accept weapons unless they were under joint control. Even if this Bomarc missile is effective—and we do not think it is effective; we think it is obsolete, and that the United States will soon be dropping it—if it is brought under joint control, what "joint control" really would mean in this context is that the authority for action would have to come from the United States. Canada would be under a veto over the use of its own weapons, because these would be weapons in the hands of Canadian forces.

Defence of this kind, Mr. Chairman, is not going to save us, and Canadian participation in defence of this kind is not going to be the best way in which we can discharge our obligations. As I have said, no effective defence of our territory is now possible. We are talking about survival rather than protection. Protection of the deterrent is becoming more difficult because the deterrent is mobile. While defence is as essential as it was a few years ago, perhaps the best defence we have now, and this has been said by others, is the certainty of swift and sure retaliation if any aggressor disturbs the peace. But this particular defence by deterrence is the responsibility of the United States which has a strategic force for that purpose; and now, to a lesser extent, the United Kingdom.

We can have a better role, surely, Mr. Chairman, than the kind of participation in the kind of defence about which we have been talking and about which the government has been talking for two or three years. During the course of this debate we hope to put that role forward. We have already done so in some detail, in the debate a year ago. The role to which I refer does not mean that we are defaulting on our obligations, betraying our friends or minimizing our responsibility.

In case my own words in criticism of the role the government has now taken may appear to be prejudiced, may I quote some outside authorities in support of the position we have taken. The Vancouver *Province* on November 9, I think it was, said this:

> A small country like ours can't afford nuclear weapons and should divert its defence spending into areas where we can be of real assistance to the United States and our other western allies.
>
> Whatever Ottawa may think of this viewpoint, it is not furthering any kind of policy by talking

out of both sides of its mouth. If we have much more of the present inconsistency, Canada's influence in world councils will evaporate completely.

Then the *Globe and Mail* of May 4, 1961 had this to say, and these are impressive paragraphs to us on this side:

We may be an economic satellite of the United States in many foreign eyes, but we are not yet a military dependency and our voice still counts for something in international councils. As a junior member of the nuclear club, obliged to get permission from Washington before acting in our own defence, we would lose bargaining power in helping to achieve compromise between the two major nuclear powers, and in our dealings with the underdeveloped countries which still regard Canada as a trustworthy friend.

This editorial concludes as follows:

Our resources are better spent in strengthening conventional forces against the dangers of limited war, and in bracing ourselves and our non-nuclear friends for the new (and undeclared) political, economic and propaganda war with the Soviet union.

Let me quote also, Mr. Chairman, a Canadian whose words I am sure will be listened to with respect by members of the government. I refer to the premier of the province of Manitoba, who spoke a few weeks ago to the Couchiching conference. I have not been able to get a text of his speech because I think he spoke from notes. He is reported in the Toronto *Globe and Mail* of August 27, as follows:

Premier Duff Roblin made an incisive appeal here tonight for a distinctive Canadian role in world affairs. He suggested that some proportion of Canadian military expenditures might be more effectively applied to technical assistance of a more practical nature for Afro-Asian nations.

He questioned—

This is the Conservative premier of Manitoba.

—the value of the North American air defence command. If it abandoned NORAD, then Canada should also refuse nuclear weapons. "Not in any holier than thou spirit," said Premier Roblin, "but because these weapons are not essential."

He said: "Canada should seek leadership among smaller powers and within the ring of the United States nuclear deterrent, seek to reinforce the United Nations office of secretary general and rescue it from Soviet meddling. We should continue to make available to the UN a substantial and fully mobile soldiery. We should mobilize independent thinking and give expression to ideas among smaller nations. We should encourage such UN instruments of peace as the food bank.

May I call it one o'clock, Mr. Chairman?

At one o'clock the committee took recess.

AFTER RECESS

The committee resumed at 2.30 p.m.

Mr. Pearson: Mr. Chairman, at the time of the luncheon recess I was putting forward in a very general way certain principles which I thought should govern Canada's contribution to collective defence. We on this side of the house will discuss these principles in their more detailed application as this debate goes on. However, I wish to make it quite clear, as I tried to do earlier in my discussion, that in the circumstances I put forward I was not advocating a policy of neutralism or a policy of default on our obligations or international commitments to our allies, or indeed a policy of refusing to play our part in resistance to aggression when we have no other alternative than resistance, irrespective of the consequences, something which, of course, would be tragic beyond words.

When I say that no one can win a nuclear war, that no one can win a nuclear war in the old conventional sense, that is true. However, it should not be misunderstood—and I am sure it is not misunderstood by those who might wish to break the peace—that our understanding of this position in the western countries means that we would not attempt to defend ourselves because there was no possibility of victory in the old conventional sense. Free men will always defend themselves when attacked, I hope, irrespective of the consequences. However, we should be aware of the consequences, which are so far beyond those of previous wars that they must be taken into consideration when we discuss defence.

In Great Britain in 1940 it did not look as though there was much chance of a victorious result of the war. However, it came. Yet in a sense that fact proves the other side of the coin or the other phase of the question. The resulting victory which was achieved in 1944 and 1945, and the inability of the west to follow victory with the kind of peace which would endure has brought us, through no fault of our own, to the situation in which we find ourselves today of trying to defend ourselves against a nuclear war which, if it occurred, would mean planetary destruction.

Nor do I wish it to be understood by anyone—and this was made clear in the quotation I read from a speech by the premier of Manitoba in so far as his views were concerned—that when we take the position that nuclear arms are not required by Canada under Canadian control or indeed under joint control for the defence of peace and the discharge of our obligations, we take that position because of some feeling of smug moral superiority. Of course that is not the case because, as a country, we are committed to nuclear defence. Indeed, we supply the material that makes possible nuclear defence and nuclear deterrence, through the sale of

our uranium. It is therefore not because of any superior moral considerations of that kind that we take our stand.

Neither I nor the other members of the Liberal party who sit on this side of the chamber advocate the weakening of the strategic deterrent, let alone its unilateral abandonment. Indeed, I feel that the strategic deterrent in the hands of those who now possess it should be maintained strong and unimpaired. In the words of the phrase we now use, it should be credible so that in the minds of those who are tempted to break the peace there should exist no doubt that it can be used effectively.

I believe that western strategy—and that includes Canada—should be based on the credibility and on the invulnerability of the retaliatory forces not only on our side but perhaps even on the other side, strange as that may seem—the invulnerability of both sides through mobility—so that each side would be reasonably certain that the other side could destroy it. In that way the temptation would be removed to bring about victory through some kind of sneak attack with immunity from retaliation. That kind of mutual invulnerability, which may seem to be a strange idea to put forward on our side but which has been put forward by some fairly highly respected defence experts, would certainly discourage a surprise attack based on fear.

But while we take that view with regard to the strategic deterrent, we on this side are opposed to dispersal of the nuclear deterrent. We are opposed to purely national control of that deterrent, especially with regard to the North Atlantic alliance, just as we have great doubts—in fact our feelings are stronger than doubts—as to the advisability of national custody of the nuclear deterrent beyond the limits of those three countries which already possess that weapon.

That brings me to a subject which was dealt with by the minister and which has been discussed by other members in this chamber. I now leave the question of continental strategy and come to the question of what should be our NATO strategy in the present situation and what should be the attitude members should take to collective strategy and to the use of nuclear weapons in the implementation of that strategy.

So far as our own contribution to NATO is concerned, which contribution is to be strengthened, we are told, by the dispatch of additional troops overseas, we have a brigade group and we have an air division. I wish to refer the committee to *Hansard* of July 3, 1959 at page 5414. This was some time ago, and we were then told by the Minister of National Defence that this question of nuclear weapons for our forces overseas in NATO was being considered. General Pearkes said then:

> —the Canadian brigade in Europe with short range nuclear weapons for NATO defence tasks are also being studied. These studies are continuing and are fast reaching a stage when there can be an exchange of notes of this matter.

He was referring, of course, to an exchange of notes with the United States. That was more than two years ago. I should like to know, and I am sure the committee would like to know, what exactly is the position now in that regard so far as our contribution to NATO forces is concerned. In the same debate, as reported at page 5415 of *Hansard* for July 3, 1959 the minister of national defence added:

> I presume that eventually the Canadian forces will be equipped with atomic weapons under the same terms as the other NATO contingents under SACEUR—

What are these terms, and since that time has there in fact been a decision which covers the acquisition of nuclear weapons by Canadian forces in NATO? From what I have said it will be clear, I hope, that I do not object to the NATO alliance possessing in some form nuclear weapons for defence purposes; indeed, they have them now, but under national control. At present all these nuclear weapons which are available to certain NATO forces are, as far as I know—and the minister will correct me if I am wrong—in the custody of the United States or the United Kingdom.

I do not think that situation has been altered by what is referred to now as a sort of double key arrangement, or a joint control of such weapons. I believe it has been assumed by NATO, and NATO defence planning has been based on this assumption, that these nuclear weapons in the possession of certain NATO members will be used immediately against any aggressive move; that those forces in NATO which have these weapons have been trained for that purpose, and that there is equipment to discharge that purpose, though it is not in the hands of NATO; it is in the hands of the United States. Indeed, the minister said yesterday decisions were taken in this matter which made NATO, as he put it—I am not sure of the exact expression—a nuclear force back in 1954. That is quite true. The outspoken Field Marshal Montgomery—a man outspoken in this and other matters—said in 1954:

> I want to make it absolutely clear—

He was the NATO commander at that time:

—that we at SHAPE are basing all our operational planning on using atomic and thermonuclear weapons in our defence. With us it is no longer: "They may possibly be used". It is very definitely: "They will be used if we are attacked."

That is clear enough. General Gruenther said the same thing, in different words, the same year when he confirmed that nuclear weapons would be used and agreed—and he is an expert in these matters—that once such weapons were used by NATO, that use would spread to all-out nuclear war, in what has been called the awful escalation of destruction. The minister and his predecessor have both said—I certainly remember General Pearkes saying this—that they saw no way by which you could limit the use of nuclear weapons; that if you started with a nuclear bullet—I am not quoting General Pearkes but I think this was his view—you would likely end with a nuclear bomb.

That is why we have been so anxious and so worried about nuclear weapons in the hands of NATO forces and not under NATO control, especially in circumstances like the present when NATO forces under United States immediate command are moving along or have been moving along the corridor leading to Berlin armed with weapons. In 1957 General Norstad—though he seems to have altered his views since—took the same view, that it was impossible to draw a line between the tactical use of atomic weapons against an attacker's forces—and I once hoped that line could be drawn—and their strategic use against the attacker's homeland.

Mr. Chairman, the minister said that NATO has now a nuclear strategy and in that sense is a nuclear force. We know that nuclear weapons are in the hands of certain NATO powers. Yet I do not know of any decision that has been made—and perhaps the minister will enlighten me on this point—notwithstanding the decision to which he referred, which I think was in December, 1958, and which dealt with the matter in broad principle, I do not know of any political decision that has been made by the NATO council or any other NATO body authorizing and laying down the conditions under which NATO nuclear weapons will be used, or laying down any rules governing the control of the use of such weapons in the hands of NATO members in Europe.

Surely the time has come to do something about that. In view of what General Gruenther, General Norstad and others have said about the inevitability of this escalation of destruction, to use the nuclear weapon even in its tactical form as a first strike weapon for NATO forces against an attack surely might bring about the greatest danger of all, the danger of an atomic chain reaction, the kind of chain reaction which I have just mentioned, which begins with a bullet and ends with continent-destroying bombs.

This would result—and we have talked about this before in this house—in NATO becoming an agency, which it was never meant to become, for the conversion of what might after all be only an accidental or a limited incursion or attack, into a nuclear holocaust. That could be done either by immediate retaliation from strategic air forces which would not worry about the troops on the ground but would worry, in the language of General Gruenther, about the enemy's homeland; or it could be brought about by premature and unnecessary use of nuclear weapons in the hands of NATO front line forces or forces in reserve. Surely that is the most frightening aspect of this NATO strategic situation, and this NATO tactical situation also.

Henry Kissinger, who has written a great deal on this subject and I think is recognized as an authority, in an article called "The Necessity for Choice" had this to say:

If NATO can be defended only by all-out war, it will face a hopeless dilemma; to yield to pressure will set up a pattern of Soviet blackmail—

We know what that means. He went on to say:

—while to resist will involve catastrophic devastation.

That is the awful dilemma that those who are responsible for the political and military planning of NATO's strategy face at the present time. It seems to me that the answer, and perhaps the only way out of this dilemma, is not to do away with a NATO deterrent, even a NATO nuclear deterrent, as opposed to a United States or United Kingdom deterrent, but to bring that deterrent under some form of collective control and to build up enough conventional strength in NATO front line forces so that the nuclear deterrent will not have to be used until it is clear beyond doubt that a massive nuclear assault has been launched.

That does not mean leaving our front line forces defenceless. It does mean—and this seems to be a doctrine which is gaining more and more support—isolating the nuclear deterrent under NATO control from the conventional strength of its forces so there would not be this awful temptation to start a nuclear war when conventional defence might be sufficient to meet an attack. I have no doubt this is being looked into, and perhaps the minister will have a chance to tell us what progress is being made in NATO thinking in this regard.

I think these nuclear weapons, which NATO must have as a defence organization, must be

under some form of NATO and not national control. But I make a distinction in my mind, a distinction the full importance of which I did not realize some time ago, between custody and control. If these weapons are brought under control, and if the policy determining the use of these weapons is to be isolated from conventional weapons in some form and brought under NATO control, then it does not seem to me to matter nearly as much whether they are in United States custody or not.

The alternative—and perhaps this alternative would appeal to many people who are fundamentalists on this question—would be to have NATO not only in control but in custody of these weapons. This would mean that the United States, the United Kingdom and France would relinquish their nuclear weapons now in the possession of NATO forces to collective custody and control. I have no illusion about the difficulty of doing this, but if this were done and if weapons of this kind were in the hands of our forces as part of NATO it would not, in my view, be extending the area of membership in the nuclear club, because three members of that club would be giving up their own national control to a collective organization.

I think this would be a move in the right direction, and it would be limiting rather than expanding the extent of the nuclear club. If that is not possible, however, the only alternative which makes sense to me would be to bring about NATO control and have the nuclear weapons isolated from the conventional front line weapons and placed in reserve in the custody of those countries—I hope it would be only one—which now have that custody. In that case we might be able to resolve this awful dilemma of how to meet an attack, if there should be one, without converting the situation into nuclear war.

I am not now thinking about an all-out nuclear assault on this continent or on Europe. In that case it would not make any difference whether our weapons were under collective control or joint control or single control. Everyone would use everything he had; one would just hope for the best and pray for survival. But that is not the only kind of problem we have to face. The problem is also to deal with a limited assault which NATO perhaps could not meet without using nuclear weapons if the organization does not have sufficient conventional strength. Surely this makes it of fundamental importance to build up NATO's conventional strength so as to decrease the present reliance on nuclear retaliation. At present I think there is too much reliance on the trip wire function of the organization and on massive retaliation. The inadequate conventional strength means that the first strike in defence might be from nuclear weapons, weapons which, if we had sufficient conventional strength, would not have to be used.

This, I think and hope, is the basis upon which NATO is now developing its strategy. This position, as I understand it, requires a change in existing strategy and a change in the defence policies of its members with regard to the control and custody of atomic weapons possessed by NATO. There is certainly growing concern among NATO members about membership in an alliance where a decision to use nuclear weapons could be made without their participation and at very short notice. I read confirmation of this in the press this morning in a dispatch out of Norway. Collective control in the interests of strengthening the alliance, however difficult this may be, seems to me to be essential.

Someone is going to say, how can you have collective control in a council of 15 members? How can you have, to use the common phrase, 15 fingers on the trigger? That would be technically impossible, I think, except under the conditions I have just mentioned, which would provide for adequate conventional defence against an attack by conventional weapons in the case of anything but an all-out assault, with nuclear defence in reserve. If you could have that, if you had sufficient collective conventional defence to hold an attack, then it would be possible to call the members of the organization together and put the problem to the NATO council in the light of the conditions as they developed. I would hope this is the way in which it could be done rather than by setting up some directorate or committee.

Mr. Jones: I wonder where the deterrent would be in that situation. What would stop the Russians sending over their missiles and bombers?

Mr. Pearson: I have been trying to deal with that situation. If we had sufficient conventional strength, and an attack was made by conventional forces, an attack which was not meant to be an all-out attack, we would have time to determine whether the NATO council would authorize nuclear weapons to be used. If there were to be a massive all-out nuclear assault by missiles across the continent and across the ocean, it would not make any difference what kind of mechanism we had set up.

Mr. Jones: The question is, what would deter the Russians from launching an attack of that kind if you could not retaliate?

Mr. Pearson: There would be a more effective deterrent than we have now. We would have a threefold deterrent. They would know that we had adequate conventional forces available for front line defence. They would know that we had intermediate nuclear missiles in reserve, and they would also know that we had strategic nuclear deterrent strength across the ocean. This kind of control, which apparently does not appeal to the hon. member for Saskatoon, could avoid the frightening possibility of a national field commander acting on national orders using nuclear weapons in the front line when this might not be necessary, and might be fatal.

In this connection, and differing from what he said in 1957, at the annual conference of the NATO parliamentarians last November General Norstad had this to say:

I believe that our forces must have a substantial conventional capability. They must be able to operate, where the military situation permits, without using arms and weapons equipped with nuclear warheads. This will require shield forces of the general magnitude being provided under our present program, a program which I regret to say is not yet completed.

That is an understatement. General Norstad then went on to say:

This conventional strength requires an organization or a system under which the basic combat elements would react normally with conventional weapons—

I ask the hon. member for Saskatoon to listen to this.

—but it also requires that associated with these basic combat elements there are atomic weapon units which can be used if necessary.

And, I say, used under NATO control. General Norstad went on:

However, the threshold at which nuclear weapons are introduced into the battle should be a high one.

That is military jargon which means, do not use nuclear weapons until you are absolutely certain it is the only protection you have against destruction. Then he concluded—and this is the very core of my argument—by saying about nuclear weapons:

The use of these weapons should be the result of a specific, deliberate decision, made at a level consistent with the policies and plans of NATO.

That is a military way of saying it should be made by a NATO agency.

Then this final sentence:

In any case, this level must be higher than that of the commander of the basic combat elements to which I have made reference.

I have made reference to the lines along which NATO strategy should develop, and I hope it is developing along these lines. There may be some strengthening rather than weakening of the deterrent both politically and militarily along those lines. That can only be done, of course, by strengthening political unity inside NATO itself by far greater political integration among the NATO countries, by greater defence integration among the NATO countries, and by using the NATO council as a council for strategy politically and militarily. If that is done; if the NATO council is given the kind of authority it should have and has not had, then with military advice and a re-examination of the military organizational set-up in NATO, we can make this organization a far stronger organization for military defence than it has been in the past. Perhaps part of what I call this diffusing strategy could be a disarmed zone right across Europe, which would avoid the difficulty of tactical nuclear weapons in the hands of opposing forces too close together.

This is a view that is not, of course, peculiar to me. A great deal of thinking has been going on along these lines. A group of the Conservative party in Great Britain called the Bow group, a rather radical young Conservative group, in a pamphlet called "Stability and Survival" issued not so long ago, at page 28 had this to say. This represents the views of some members of the Conservative party in the British House of Commons in regard to this very problem. The paragraph reads:

The British army is equipped with Honest Johns and Corporals, the warheads being under American control. The fundamental requirement for the relationship between tactical nuclear weapons and our armed forces is that the armed forces should always have a choice between using them and not using them and still be in a position to hold the line. In other words, they must be available, but not the only means of checking aggression. Thus, to quote Kissinger, "Forces in being are more important than at any previous time in our history!" It is important to understand that units once in battle cannot switch from one mode of warfare to another. To integrate nuclear weapons into every unit would make it virtually impossible to keep a war on a conventional basis. Far from being diffused throughout the army, tactical nuclear weapons must be kept in separate units, so that the temptation for a hard pressed junior officer to use them is avoided.

I say not only should they be kept in separate units in reserve, they should be kept under NATO as opposed to national control. If that can be done I think Canada could co-operate to the full in that kind of NATO strategy. But if we are being asked in NATO to accept nuclear weapons for our air division and for our infantry brigade under other than that kind of control, under national control, or under joint control which gives the United States an overpowering authority to use or not to use them, then I do not think we should accept them in Europe. I hope that choice will not have to be made, because I hope that NATO will develop along the lines which I have ventured to outline.

If it does it will mean far greater political unity as well as defence unity, and far from weakening the deterrent it will strengthen it.

This is the kind of continental defence and NATO strategy that I venture to put forward and which I hope we will be examining in detail as we go through the estimates. I should like to return to what I said at the beginning. There is only one sure defence, and that is peace. At the present time there is only one sure military way of maintaining peace—and I do not like to say this—and that is to preserve the balance of the terror by the maintenance of a strong and powerful nuclear deterrent force. I accept that in military strategy, but I see no reason—I see a great many arguments against it—for the extension of nuclear weapons from the countries which now have them to other countries thereby weakening their position in international affairs and in the United Nations and making it quite impossible, as I see it, for any Canadian secretary of state for external affairs to go down to the United States and argue against other countries accepting nuclear weapons.

It seems to me these are the advantages of adopting the kind of course I have put forward and the disadvantages of the alternative course by which we become a member of the nuclear club with nuclear weapons under national or joint control. If we are faced with that choice we should take the choice I have indicated, thereby strengthening our position in international affairs, and making our voice stronger in the only field which will save us, namely the maintenance and strengthening of international peace.

Mr. Harkness: Mr. Chairman, a little while ago the Leader of the Opposition was talking about high levels and low levels, and I must say that the speech he has given since lunch was certainly on a much higher level than the one he gave before lunch. Before lunch what he was doing in effect was attempting to rationalize the irrational. It was a further attempt on his part to try and get out of the mess which the Liberal party got into at their January meeting as far as defence matters are concerned.

I indicated yesterday the comment of some well-qualified newspapermen with regard to the so-called position the Liberals took on defence at the January meeting. The Leader of the Opposition has been making a series of speeches across the country since then trying to explain this, and he complains that people do not understand what their position was. Well, certainly they do not understand it because it was not a position which is understandable. It was a matter of confusion. As I indicated yesterday, one of the reporters who was there said they decided to take Canada out of NORAD, then they put Canada back into NORAD, then they finally ended up with it half in and half out, that is as far as interceptors are concerned, and it was much the same thing as far as nuclear weapons are concerned and so on all down the line. It resulted, as I say, in a mess and confusion.

I noted yesterday also what a very serious writer on defence subjects had to say in a serious magazine called the *Canadian Commentator*. John Gellner had this to say about the position the Liberal party is taking on interceptors in particular:

> The policy which the Liberal party has adopted in this matter does not even make sense.

It does not make sense, and neither does a lot more of the so-called policy of the Liberal party on defence.

Mr. Pearson: What did he say about your policy?

Mr. Harkness: He said that at least our policy makes sense. He does not agree with all of it, but he said that at least there is some logic in it.

Mr. Martin (Essex East): Where does he say that? He does not say it.

Mr. Harkness: Paul, don't get too excited.

Mr. Martin (Essex East): Mr. Chairman, on a point of order, the Minister of National Defence is a member of the government and he ought to know that it is contrary to our rules to refer to any member except as the hon. member for such and such constituency. Now, hon. gentlemen opposite do not like it, but it is about time ministers were taught that rudeness is no substitute for effective action in this house. There is no one who on occasion destroys his argument in that regard more effectively than does my genial friend the Minister of National Defence.

Mr. Harkness: The hon. gentleman was in error. He does it to a greater extent than anybody else. I apologize for not mentioning the hon. member for Essex East. I realize I was in error.

Mr. Martin (Essex East): According to the rules.

Mr. Harkness: I am sorry. I was tempted to do that by the numerous remarks the hon. member for Essex East makes along the same line, and mostly from his seat. However, what I was saying, which the hon. member hoped I would forget but he has not succeeded in throwing me off the track, was that Mr. Gellner in dealing with this matter stated:

> They—

The Liberals.

—want to leave all arrangements as they are except that Canadian forces in NORAD would not actually shoot. In other words, we would warn the Americans that the enemy was coming, we would tell him who he is, we would fix and track him, but then we would virtuously withdraw and let the Americans do the killing. This is a solution worthy of Pontius Pilate, not of a Lester B. Pearson and his associates.

Mr. Pearson: That is not our solution at all.

Mr. Harkness: I think truer words were never written.

Mr. Pearson: It is not true.

Mr. Harkness: It is a Pontius Pilate type of policy if there ever was one. It is an attempt to stand on both sides of the fence. It is an attempt to go in two opposite directions at the same time, and all the attempts of the Leader of the Opposition in various speeches across the country to try to rationalize this completely irrational position are just not going to succeed because it is impossible for them to succeed.

First of all the Leader of the Opposition today accused those in this party and myself in particular of refusing ever to change our minds. He was talking about the fact that he had changed his mind, and he said that we refused to change our minds, that we would not budge, that we were stubborn and so on. Yet about five or ten minutes later in his speech he was complaining bitterly because we did change our minds, as he said, in connection with interceptors. He cannot have it both ways. As a matter of fact, these two statements in his speech made only about five or ten minutes apart, are typical of the lack of logic in the speeches of the Leader of the Opposition on defence. He accuses us on the one hand of being absolutely unchanging and refusing to change and look at new conditions, and five minutes later he complains bitterly because, as he says, we did change.

What can the people of Canada make of such an attitude and statements of that kind? It is all right for the members of his party who sit behind him to applaud loudly when he makes a statement of that kind but when the general public or anybody who thinks seriously about these matters sits down and analyses what he has said it immediately becomes apparent that there is no validity in most of his remarks.

An hon. Member: Let the public decide.

Mr. Harkness: The public will certainly decide, and there is no question in my mind as to how they will decide.

Mr. Deschatelets: Sooner or later?

Mr. Harkness: The Leader of the Opposition also went on to complain in his earlier remarks that this was the first debate we have had on defence this session, and that there had been none in the earlier part of the session. No one knows better than he does that the reason for that was his own absence and that of the hon. member for Trinity.

Mr. Chevrier: That is not so.

Mr. Pearson: On a point of order, Mr. Chairman, that statement is untrue.

Mr. Harkness: The defence estimates were announced for consideration by the leader of the house. They were to come up on a certain day. The Leader of the Opposition and the hon. member for Trinity—

Mr. Pearson: That is not true.

Mr. Harkness: —complained and requested that they be not brought up because they said they could not be here.

Mr. Pearson: So we waited for six months.

Mr. Harkness: As a result consideration of these estimates was delayed. He now complains that there was no debate on defence in the earlier part of the session, but the reason was the unwillingness of the Liberal party to go ahead with a debate at that time.

Mr. Pearson: That is ridiculous nonsense.

Mr. Harkness: The Leader of the Opposition went on to say that I should have made a statement on fundamental issues and questions, and that I had not done so. I submit that if he will read the speech I made he will see that it is a statement on the fundamental defence situation as far as this country is concerned, the position the government has taken in regard thereto, and what we have been doing and are doing. His chief complaint would seem to be that we have not said we are going to get nuclear weapons next week. That is really what it all boils down to.

From the statements of the Leader of the Opposition and the hon. member for Essex East you would think that the acquisition or non-acquisition of nuclear weapons constituted the whole field of defence policy. They are one type of weapon, and they would be used in certain circumstances and not used in others. I think they have to be regarded as a certain type of weapon and not looked upon as the end-all and be-all of defence policy, which they are not.

The Leader of the Opposition referred to an editorial in this morning's *Globe and Mail*, a copy of which I have here, and quoted some portions of it with approval. I should

like to point out that it would appear impossible that the writer of the editorial had read the speech I made yesterday or any of my previous speeches on defence. Otherwise he could not possibly have written this editorial, because he states here, after quoting something I had said:

> The picture this conjures up, intentionally or otherwise, is that of Canada facing single combat with Russia, and considering whether to become a full-fledged nuclear power to deter the prospective enemy. This is not the problem at all. Canada has no hope of becoming a nuclear power; to build long range rockets and the like as a deterrent is altogether beyond her resources.

That is exactly what I have been saying for months. The editorial goes on to say:

> The main defence of the western world against nuclear war is its deterrent force and the most important components are the missiles and heavy bombers of the United States strategic air command—

In speech after speech I have made those very statements, and for the writer of this editorial in the *Globe and Mail* to write as though these views are contrary to what I have been saying is, of course, simply an indication of the fact that the writer seems to have no knowledge whatsoever of what I have been saying for months past and what I said yesterday.

I have been insisting right along that Canada's defence depends on belonging to the NATO alliance, maintaining the NORAD agreement and our efforts toward peace in the United Nations. I have emphasized this time after time. I have emphasized the fact that the forces we maintain in Canada are not forces designed to meet every eventuality. We have no long range strategic bombers, we have no nuclear weapons, we have no missiles. We have no major naval vessels except one aircraft carrier. But within the NATO alliance as a whole we have all these components, and Canada's security is arrived at as a result of her membership in this alliance and the fact that we can depend on our allies to provide these various forces if they are required.

The editorial is completely ridiculous. The writer of the editorial and the Leader of the Opposition appear to dislike the fact that I used a somewhat homely analogy about a bear and a man with a rifle. Probably they do not like analogies of any kind, particularly rather homely ones.

The Leader of the Opposition went on to talk about NATO having a nuclear strategy. Later he said that he agrees that there is a nuclear strategy and believes that it must be maintained. I am glad to have him make that definite statement, because from some of the statements he has made through the country in past months you would think that he was against that idea. Having come to this position he, I hope, will remain with it.

[Mr. Harkness.]

Mr. Pearson: I have said that every time I have spoken.

Mr. Harkness: I hope he will not shift his position every month or so as he has done during the past several months. He asked me a question which I was not really able to catch, as to the basis on which I stated that there were several countries in NATO that have nuclear weapons on their soil and have entered into agreements with the United States in connection with those weapons, as I stated yesterday. I do not know exactly what he meant. I think he is aware of the fact that this is the case.

Mr. Pearson: I asked you what countries, what members.

Mr. Harkness: The only thing I would say about that would be to quote from a statement former President Eisenhower made on January 17, 1961 in a letter to congress which has been published. This letter contains a reference to an agreement with the government of Italy for co-operation in the use of atomic energy. I quote:

> To facilitate the necessary co-operation on our part legislation amending the Atomic Energy Act of 1954 was enacted by the congress in 1958. Pursuant to that legislation agreements for co-operation were concluded with four of our NATO partners in May and June 1959. A similar agreement was also recently concluded with our NATO allies, the Republic of Italy. All of these agreements are designed to implement in important respects the agreed NATO program. This agreement with the government of Italy will enable the United States to co-operate effectively in mutual defence planning with Italy and in the training of Italian NATO forces in order that, if an attack on NATO should occur, Italian forces could, under the direction of the supreme allied commander for Europe, effectively use nuclear weapons in their defence.

Mr. Pearson: May I ask the minister a question on this point, since I brought it up? Is he now telling us that these NATO members have bilateral agreements with the United States for the acquisition of nuclear weapons by their forces under national or joint control? If so, what members of NATO have made these agreements he has mentioned?

Mr. Harkness: I think what I have read is self-explanatory.

Mr. Martin (Essex East): That is another thing altogether; that is for the peaceful use of atomic energy.

Mr. Harkness: Some people refuse to understand if it does not further their own purposes. This statement made by President Eisenhower contains this sentence to which I have already referred:

> —if an attack on NATO should occur, Italian forces could, under the direction of the supreme allied commander for Europe, effectively use nuclear weapons in their defence.

I think that is clear enough. As to the other countries, I have not seen any public statements in regard to which countries they are; therefore I have to consider that as security information.

Mr. Pearson: Oh, oh.

Mr. Harkness: Mr. Chairman, the Leader of the Opposition says "Oh, oh". He knows quite well that anything along this line is a matter of security until it is released by the people concerned. I have read the letter signed by President Eisenhower and sent to the congress of the United States, which is a matter of public record. I think it makes the situation quite clear. There is nothing to be gained by me spelling out the other four countries to which he referred. Once more, of course, as I pointed out yesterday, all this, which has been public information for some time, makes a complete sham of the position taken in connection with NATO by the New Democratic party at its convention.

Then the Leader of the Opposition went on to mention the weapons systems we have already secured, the Bomarc, the Honest John and the 104. He quoted at the time from a statement by General Foulkes in a pamphlet entitled "Canadian Defence Policy in a Nuclear Age", one of those behind the headlines booklets. He quoted what General Foulkes said as though it were government policy. The Leader of the Opposition knows that General Foulkes does not state government policy. He never did state government policy as chairman of the chiefs of staff. This was the prerogative of the members of the government under whom he served, both the government to which the hon. member belonged and the present government. From the way in which the Leader of the Opposition put this quotation on the record it would appear as though General Foulkes was stating government policy. I will not say he did so purposely, but it was designed to cause misapprehension on the part of the people listening to him or reading *Hansard*.

Mr. Pearson: On that point, I should like to say I made it quite clear, as the record will show, that General Foulkes had no official responsibility when he made that statement.

Mr. Harkness: This is fine, but I say that the way in which the quotation was put would lead most people reading *Hansard* to believe that General Foulkes was stating government policy. This is not the case. General Foulkes was a distinguished soldier. He is listened to with great respect on military subjects. I believe everyone in Canada accords him that respect. One of the odd things about this, and this is typical of what you find in the Liberal party, is that only the other day the hon. member for Leeds was quoting from this same pamphlet in an attempt to show that General Foulkes was opposed to nuclear weapons. This is typical of the Liberal party, trying to go in two directions at once. The Leader of the Opposition quotes him as being strongly in favour of nuclear weapons, which he is. The hon. member for Leeds was quoting from this booklet, as a reference to page 8250 of *Hansard* will show, in an attempt to show that General Foulkes a great military leader in Canada, was against nuclear weapons.

This again is typical of what you get in the Liberal party. You find people going in opposite directions, so you have complete confusion in the party. I am afraid I often feel sorry for the Leader of the Opposition—

Mr. Martin (Essex East): Don't feel sorry for him, feel sorry for yourself.

Mr. Harkness: —as a result of the things the people in his own party do to him.

Mr. Pearson: You should feel sorry for the Minister of Trade and Commerce, too.

Mr. Martin (Essex East): You need the help of the Prime Minister and the Secretary of State for External Affairs; they should be here to help you.

Mr. Harkness: I should like to draw attention to the long, sustained remarks which have been coming for some time from the hon. member for Essex East, who is deliberately breaking the rules by remaining in his seat when he makes these interruptions.

Mr. Martin (Essex East): I apologize.

Mr. Harkness: The Leader of the Opposition made a reference to the statement the Prime Minister made in regard to the acquisition of the three weapons systems to which I have referred, the Bomarc, the Honest John and the 104. He went into the question of lead times and then gave us his own interpretation of what I had said yesterday and on previous occasions in that regard. I should like to make it quite clear once more that you cannot decide today to arm your forces with nuclear weapons carriers and, having made that decision, expect to have the forces armed with these weapons within two or three years. It takes a considerable length of time after an order is placed to produce any one of these weapons systems, and it takes a considerable length of time to train people in their operation.

As I said in my speech when I opened this debate, and as I have said on numerous occasions, it has seemed the part of wisdom to acquire certain weapons systems which

are capable of carrying nuclear warheads. Then in the event a decision should be taken that nuclear warheads are required, we would be in a position to make use of them. It was in connection with this use of the analogy of the bear and the rifle that the Leader of the Opposition chose to object.

Mr. Pearson: I did not object to it.

Mr. Harkness: This is the situation. If you are going to take due precautions in the extremely troubled situation which has been existing for the last two years or more and you believe that there is any possibility that you might have to have nuclear weapons for your own defence, for defence of your own territory, then it was essential to secure the carriers, the systems which could use nuclear warheads and to put in orders for them some considerable time ahead. The Leader of the Opposition objected to the fact that we had placed orders for the Bomarc, the Honest John and the F-104, I submit that it was only the part of wisdom and prudence to have done so, whether or not they are ever actually armed with nuclear warheads.

In this connection I would just recall to the minds of hon. members that yesterday the hon. member for Trinity was comparing the Honest John unfavourably with the Little John, thus indicating how absolutely little he knows about this matter. The Honest John is a very much more effective weapon than is the Little John. The Little John is not yet even an approved weapon. It has a range of less than half of that of the Honest John and its punch is approximately one sixth less than that of the Honest John. Nevertheless the hon. member for Trinity rises in his place as though he knew all about it and says that the Honest John is an obsolete weapon and that the Americans are now producing the Little John, a very much better weapon. Once more he indicated his complete ignorance of these matters of a technical nature.

Mr. Hellyer: You are hiding behind your security curtain.

An hon. Member: The hon. member for Trinity is an expert on curtains.

Mr. Harkness: At this point the Leader of the Opposition made his great confession about changing his mind. I have no complaint about his changing his mind. The only thing about which I complain is that he does it so frequently that you never know where you are at with him. It is quite reasonable for a man to change his mind every two years, we will say, or every year or even oftener if conditions warrant it. But to do it every month or every week seems to be a little bit beyond reason and leaves us in a complete state of mystery as to what his position really is on these subjects.

Following that, he went on to interceptors and in effect stated that they are no more of any use. He said that their only purpose was to protect S.A.C. bases and that they were no protection whatever for Canadian cities. I submit that if there were no defence at all in Canada or in the United States against manned bombers, the world would not be in its present situation. The Russians would probably have been in control of everything a considerable length of time ago. It is the fact that there is a defence against the manned bomber particularly, which makes it unlikely that manned bombers will come over here to drop bombs. This defence therefore constitutes a great protection for Canadian cities and for the entire population.

In addition to that, of course, in the event that a war started, while it is true they would not knock down all the bombers that come over, nevertheless they would knock down a considerable number of them; and every time you knock down a bomber carrying one or two atomic bombs, you have saved the lives of a large number of people and avoided a great deal of property damage. While these things, of course, are relative, to say that they are of no protection whatever to Canadian cities is to make a statement which is just not correct.

Next, the Leader of the Opposition proceeded to discuss the Arrow. I dealt with the Arrow the other day when the matter was raised by an other hon. member on his side, and I am not going to say much about it now. However, I will make one or two comments. This was when the Leader of the Opposition complained and asked why we changed our minds. He said, "Why did the government change its views on the bomber threat?" Again he asked, "Why did they say, when the Arrow was done away with, that there was not going to be a bomber threat any more?" Of course, that was never said to begin with. What was said at the time was that other means of defence against the bomber would be investigated. I have here the statement of the Prime Minister in connection with this matter made on Friday, February 20, 1959. He ended the statement with these words:

> The government has taken no decision to acquire other aircraft to replace the CF-100, which is still an effective weapon in the defence of North America against the present bomber threat. The Minister of National Defence and the chiefs of staff are now engaged in further studies in the various alternatives for the improvement of our defences.

The then minister of national defence on May 17 last year in discussing the estimates had this to say:

Regarding the need for an interceptor, as seen at that time—

This is at the time of the cancellation of the Arrow.

—the chiefs of staff were instructed to investigate the possibility of obtaining another aircraft at a cheaper price to replace the CF-105.

We did not say that the bomber threat was gone. We did not at that time say that the CF-100 would not be replaced. In fact, we said just the opposite.

Mr. Hellyer: Selected scripture readings again.

Mr. Harkness: To continue what the minister of national defence said on May 17, 1960:

That was stated in the House of Commons by the Prime Minister when he gave his statement, that the chiefs of staff were being instructed to investigate and see whether there was any other aircraft of proven design that was available.

As a matter of fact we have secured the F-101. As I stated here yesterday, contrary to the opinions of the hon. member for Trinity it is an exceptionally good aircraft and fills the needs.

Mr. Hellyer: On a question of privilege, Mr. Chairman, I should like the minister to quote the opinion which I expressed, which is contrary to the one he just quoted.

Mr. Harkness: I have the floor.

Mr. Hellyer: He is continually falsifying the record by misrepresenting the facts.

Mr. Harkness: The hon. member cannot resist interrupting, Mr. Chairman. He is extremely sensitive. I suppose there is no one so sensitive as is the man who knows he is wrong. The hon. member for Trinity demonstrates that fact.

Mr. Martin (Essex East): Let us keep our tempers down.

Mr. Harkness: My temper is all right. It is the tempers on the hon. member's side that he needs to worry about. I refer to the hon. member for Trinity.

Mr. Hellyer: Don't be smart.

Mr. Harkness: I think the hon. member for Essex East had better speak to his colleague. He is excited. As was stated by the then minister of national defence, the cancellation of the Arrow to a very great extent was due to the fact that it was just too costly a weapon for the Canadian economy and Canadian defence budget to be able to stand. The cost of it would have been something in the neighbourhood of $2,250 million or about $12,500,000 a plane.

Mr. Hellyer: You are lying again.

Some hon. Members: Oh, oh.

Mr. Harkness: Mr. Chairman, the hon. member for Trinity has just said, "You are lying again". I would request that you ask him to withdraw that remark as any other gentleman would.

Mr. Hellyer: Mr. Chairman, the minister used that figure no less than a day ago—

Some hon. Members: Withdraw.

Mr. Hellyer: Will you allow me to make a statement, Mr. Chairman.

Mr. Grafftey: Withdraw.

Mr. Harkness: On a point of order may I say that I asked for a withdrawal. If the hon. member is not sufficient of a gentleman to observe the rules of the house, then just let him sit quietly.

Mr. Caron: He can prove you were lying.

The Deputy Chairman: Order. I can give the hon. member for Trinity some authority for acquiescing in the request of the minister and I would appreciate it if he would withdraw the remark.

Mr. Hellyer: I would like you to hear me out, Mr. Chairman.

Some hon. Members: No.

Mr. Harkness: On a point of order—

An hon. Member: He has the right of reply.

Mr. Hellyer: If I can prove the minister is lying, will you accept—

Mr. Harkness: Mr. Chairman, the hon. member should withdraw. He has no right to make a speech. He must withdraw.

Mr. Pearson: Mr. Chairman, if the hon. member withdraws that particular word I hope it will not be interpreted in the sense of the acceptance on this side of the chamber of facts which we know not to be accurate as stated by the minister.

An hon. Member: That is different.

The Deputy Chairman: I think perhaps the Leader of the Opposition was speaking from the point of view of the group situation in bringing in that particular factor. In the matter before the committee, the allegation made by the hon. member for Trinity was direct and personal and was impugning the integrity and honour of the minister of the crown who had the floor.

For that reason, without any preliminary explanation I would ask the hon. member for Trinity to kindly withdraw the remark.

Mr. Hellyer: The evidence of the defence expenditures special committee—

Some hon. Members: Withdraw.

Mr. Hellyer: —pages 146 and 147—

Some hon. Members: Withdraw.

Mr. Harkness: Mr. Chairman, would you please ask the hon. member to resume his seat? I have the floor.

Mr. Hellyer: —the committee was advised by the—

Some hon. Members: Withdraw.

The Deputy Chairman: Order. I have the floor, as it turns out, and I do not think there is any need to exercise the temper of the committee, which has been on a fairly gentle level throughout this very serious and important debate on national defence.

I say again that there is no need for any preliminary explanation on the part of the hon. member for Trinity. I know him well enough personally, to know that he knows he should withdraw the remark so we may continue the debate that is before the committee.

Mr. Hellyer: I withdraw the phrase I used, in accordance with parliamentary practice, while reserving the right to vindicate the statement I made later in the debate.

Some hon. Members: Hear, hear.

Mr. Harkness: Mr. Chairman, after this unseemly interruption I should like to resume what I was saying, which was that the cost of the Arrow, at $2,250 million—

Mr. Hellyer: You never learn. You are stupid—

Mr. Harkness: —which would have been $12,500,000 per copy as the program was presented at that time and as was the estimate of the company, was just completely beyond the capability of the budget. When we told the company that and said we could not continue the program, they then made an alternative proposal of putting in, instead of a Canadian-manufactured weapons system, a United States-manufactured weapons system and said that under those conditions the cost of the airplane would be $7,800,000 per copy instead of $12,500,000 per copy.

Mr. Hellyer: That was the figure of the Department of National Defence.

Mr. Harkness: However, this was still completely out of reason and, as the minister of national defence said on May 17, 1960:

[The Deputy Chairman.]

> All I can say in conclusion is that the cost of $12½ million for an aircraft, or even, if the alternative system of fire control had been introduced, of $7,800,000, was just a price tag which was too high to be included in the defence budget of those days.

That was the situation in regard to that.

Mr. Pearson: And get back half of it in taxes.

Mr. Harkness: I should like to point out in this connection that we were not alone in cancelling one of these extremely high priced airplanes. The United States cancelled their 108 really for exactly the same reasons that we cancelled the 105, because they considered the cost of the airplane was too great for the return involved, and also because they considered their other airplanes, the F-101, the F-102 and the F-106 were adequate for the purpose of meeting the bomber threat as they saw it at that time.

Of these airplanes, of course the F-101 is one of those we are going to get, and it is the only two-seater airplane of the lot. Both the 102 and the 106 are single-seater airplanes and are not adapted for the job that is to be done here in Canada. The next thing—

The Deputy Chairman: Order. I am sorry to interrupt the minister, but his time has expired.

Some hon. Members: Go ahead.

The Deputy Chairman: Does the committee give unanimous consent to the minister continuing?

Some hon. Members: Agreed.

Mr. Harkness: The Leader of the Opposition went on to say that he thought the Bomarc was obsolete, that it is no good. Then of course the hon. member for Trinity made similar statements. If that is the case, here is a very peculiar thing which I would ask the committee to consider. There was a story written by Paul Dubois in the Ottawa *Citizen* of October 29, 1960. The dateline was "Thurso". It was about the speech of the Leader of the Opposition at a rally in support of Gaston Clermont, Liberal candidate in the by-election occurring at that time in Labelle riding.

Some hon. Members: And elected.

Mr. Harkness: I would read the committee the direct quote. Perhaps the Leader of the Opposition will say he was misquoted, but the direct quote of what he said was this:

> A nuclear deterrent may be necessary for the U.S., but not for us and other countries. If Russia ever attacked North America and specifically Canada, Montpellier would be a prime target for the Russians, Montpellier and communities for hundreds of miles around would be reduced to ruins.

If Montpellier was going to be a prime target because it had the Bomarc base there, why does the Leader of the Opposition now say that the Bomarc is completely useless? If it is completely useless the Russians would not be wasting any bombs on it.

Some hon. Members: Oh, oh.

Mr. Harkness: We find the Leader of the Opposition, for election purposes, going to this area and saying this terrible Conservative government had built a Bomarc station there and that was going to bring Russian bombers and these people would be wiped out if the balloon ever went up.

Mr. Martin (Essex East): The balloon went up this last minute.

Mr. Harkness: The Leader of the Opposition says the Bomarc is no good and nobody takes it seriously except this government. He says the Russians do not pay any attention to it. That is another example of the logic of the Leader of the Opposition in connection with these matters. Now—

Mr. Chevrier: Take a long breath.

Mr. Harkness: He went on to say that the Liberals had put up a much better policy last year and he indicated much better roles that Canada might be following as far as defence is concerned.

What was this great policy they put up last year? As described by my predecessor, it was a policy of scrap, scrap, scrap. They wanted to scrap practically everything and what they did not want to scrap in this so-called policy consisted chiefly of advocating things which we had already done or were proposing to do. I have a list here and I could go over them in detail, but I hardly think it is worth while. I will just indicate that they urged the abandonment of the SAGE Bomarc system and recommended the purchase from the United States of a number of supersonic interceptor aircraft. They knew we were negotiating at that time for supersonic aircraft, so they recommended this and thought they would get on the bandwagon, I suppose.

There is one other thing I should like to mention. They advocated, really, that the navy should become a sort of glorified merchant marine.

Mr. Hellyer: Assault vessels for the troops.

Mr. Harkness: Fortunately that policy is not supported by anybody except themselves. That so-called policy is so full of holes that it is much worse than one of those famous cheeses.

An hon. Member: It smells worse, too.

Mr. Harkness: The Leader of the Opposition read some quotations from newspapers supporting the position that they take. I have a whole file here attacking the position they have taken, but I certainly have not time to read them. This sort of reading does not prove very much, of course.

After lunch—I think the Leader of the Opposition must have had a good lunch—he seemed to get onto a somewhat better tack. He got away from this attempt to justify the mistakes that he and his party had made in the past in regard to defence and he got on to a discussion of NATO, what its objective should be, how nuclear weapons might be controlled in it, and so on. The hon. gentleman said he did not object to NATO having nuclear weapons. As I indicated, I was very glad to have that definite statement from him and I hope he will stay with it. I think we all realize that the control of nuclear weapons is an extremely difficult problem, as the hon. gentleman himself admitted. It is, of course, one which has been exercising the attention of governments of the NATO countries for a very considerable time. To date, no generally acceptable solution has been reached. It is a problem which I certainly trust can be solved, just as the Leader of the Opposition does and as, I think, we all do, but it has not been solved to date.

There is another question which was raised by the Leader of the Oppositoin and with which I should like to deal briefly. He referred to 15 fingers on the trigger. Of course, it would be hardly a credible type of deterrent if we had to obtain the agreement of 15 countries before nuclear weapons might be used, in certain circumstances particularly. In this connection a great deal of thought has been given to whether what are known in the navy in particular as rules of engagement might not be worked out—whether all the 15 countries of NATO might not agree to those rules of engagement, as they are called, which would lay down the situation in which each country would agree that nuclear weapons might be used. There is, I think, hope of arriving at some type of what might be called full NATO control over the use of nuclear weapons by this means.

The Leader of the Opposition spoke of the necessity, in his view, of building up the conventional front line strength of NATO. I fully agree that not only the conventional front line strength of NATO but the conventional strength of the organization generally should be built up. I do not think anybody would quarrel with the hon. gentleman in this regard. Ever since the organization was established, one of the greatest difficulties as far as NATO is concerned has been the failure

of certain members of that organization to build up their conventional forces at a sufficiently rapid pace to the strength to which they themselves had agreed to bring them at some time in the future. Of course, the greater the degree to which each of the individual countries in NATO builds its conventional strength the stronger the force will be. I think the Leader of the Opposition and myself share common ground in that regard. As a matter of fact, the increase in the Canadian force which was announced here last week is an indication of Canada's willingness to build up her own NATO strength and increase her contribution to NATO.

I should like to say a word about one idea which the Leader of the Opposition put out—the idea that the Russians might launch a limited conventional war, and that we must have some means of dealing with it. I do not think that eventuality is very likely, though I do not say it is impossible; nothing is impossible. But I think it is very unlikely that the Russians would start a limited war in Europe which they would expect to keep as a conventional war. If they were to do so I think the chance of such a conflict developing into a nuclear war would be very great. For this reason I hope the Russians would not contemplate such action for a minute because it would be an extremely dangerous type of move.

As the Leader of the Opposition pointed out, perhaps the greatest danger we face in the world today is that of a war started by accident. This is something which could happen, and it is a possibility which needs to be guarded against very carefully as far as the west is concerned—and we trust the Russians will take equal precautions. However, as I say, the chance that they would start a fair sized conventional war in the expectation that it could be kept at that is, I think, very unlikely. The basic situation is that they have nuclear weapons in their force in eastern Europe, and if they started to move, Mr. Khrushchev himself has said they are going to use everything. That is why it is necessary to have sufficient strength to deter them from ever making such a move. I agree it is the most important thing in the world at the present time to try to ensure that peace continues. On that note I think I will end.

Mr. Hellyer: I apologize for taking up the time of the committee at this stage but it is most difficult to conduct a responsible examination of the estimates of the Department of National Defence when the committee cannot rely on information given it by the Minister of National Defence. The example we have had this afternoon is just one of many. Either the minister's memory is incomparably bad or he gives us wrong information.

For example, in respect to the cost of the Avro Arrow, in May of this year, speaking on Vancouver island during the by-election, the minister is reported to have said, according to a newspaper which he indicated this morning was a good paper, that the planes would have cost $15 million each. The report in the Victoria daily *Colonist* reads in part:

> Referring to the Liberal leader's remarks about the scrapping of the Avro Arrow jet interceptors the defence minister stated that the planes would have cost $15 million each and that the huge cost would have meant scrapping much of the army and navy strength.

This afternoon the minister must have decided in his imagination that it would be more credible if he reduced the figure to $12 million each. And then, when he was challenged, as he was yesterday when he pulled the same trick, he reduced the figure to $7.81 million each. Even that figure is too high, because that is the figure which was given to the special select committee on estimates a year ago as the cost of 108 operational aircraft plus 12 pre-production models. If hon. members do the arithmetic they will find that the cost per operational aircraft was $6.8 million each.

An hon. Member: Still too much.

Mr. Hellyer: That is all in the evidence. The minister is aware of it, and for him to stand up and tell this committee that the cost would have been $12 million each is an insult to hon. members, particularly as the evidence given by the former deputy minister of national defence, now Air Chief Marshal Miller, was that the planes would cost $6.8 million each. How can we have any faith in anything the minister tells us if he uses a device of this kind to try to confuse and bewilder both the committee and the Canadian people?

This is a type of arithmetic which might be applied to a new situation. The minister has just worked out an arrangement under which the Canadian Department of National Defence is to receive 66 Voodoo aircraft in exchange for certain things. I have the agreement here. I shall not read it in detail, but in exchange for the 66 Voodoo aircraft the department agrees to take over from the United States the cost of maintaining Pinetree radar stations previously maintained by the United States air force. In addition, it is to contribute $50 million toward a program of military aid—toward the acquisition of F-104 aircraft to be built at Canadair in Montreal.

In addition, it will pay one third of the cost of spares and ground handling equipment for the Voodoo in the amount of $10.9 million.

Now, there is no cut-off date as to when Canada's responsibility ends in respect of maintaining the Pinetree line. The annual cost of maintaining the Pinetree line has been variously estimated. The then minister of national defence, the Hon. George Pearkes, V.C., advised the house on March 2, 1959, as reported on page 1518 of *Hansard* as follows:

> Mr. Speaker, before the house rose for the dinner recess, the Leader of the Opposition had asked for information with regard to the cost of the Pinetree system. As I explained, the Pinetree system is shared by the United States and by Canada, some of the stations being operated by Canadians and some being operated by the Americans. The cost to Canada of operating each year is approximately $28 million; that is the cost of operating those Pinetree stations which were either built by Canada and manned by R.C.A.F. personnel or were built by the United States and manned by R.C.A.F. personnel. The cost to the United States is approximately $43 million for operating their stations. That figure of $43 million includes some $5 million which the United States are spending on purchasing equipment for those stations in Canada.
>
> Hence if Canada were to take over the operation of the line in its entirety it would mean the addition of $43 million to our defence budget at the present time.

A United States congressional subcommittee was advised by the director general of the United States air force budget that the saving to the United States air force by Canada taking over the cost of the Pinetree line was $50 million a year. If this is so, Mr. Chairman, let us assume that we have to maintain this Pinetree line for ten years. The cost, even by using the lower figure recorded by the Minister of National Defence, would be $430 million. Add to this $50 million which is Canada's share of the purchase of F-104's, and $10.9 million which is our share of the spares for the Voodoo, and the total cost is $490.9 million for 66 aircraft or approximately $7.5 million per copy. If we had to maintain those stations for 15 years the cost would be a total of $705.9 million, or more than $10 million a copy, far more than it would have cost to carry on with the Avro Arrow program.

The Minister of National Defence told the people in Victoria that the commencement of the Avro Arrow program was the greatest mistake ever made by the Canadian government. Well, the deal he has just made with the United States government, which could result in the cost of $10 million each for aircraft which at the most are not worth more than $2 million each, is in my opinion one of the biggest boobs ever pulled by a minister of national defence.

In closing may I say I think the minister should apologize to the committee for using figures upon which it cannot rely.

Mr. Harkness: Mr. Chairman, if these allegations came from some serious source I would take them seriously. However, I consider the source from which they come and I will merely say that the figures the hon. gentleman is producing are probably comparable with the figures he was trying to produce yesterday as to what the cost would be for the 15,000 more troops we are going to raise, which he insisted was double what I had said they would be, although this was a figure arrived at by careful estimates of the departmental officials and officials of treasury board. But he produces any figures that his imagination suggests to him and I suggest that the committee should not take him to seriously—I certainly do not take him too seriously—in regard to these matters.

As far as the actual cost of taking over these Pinetree lines, and so on, is concerned, if the cost went on for long enough, of course, it might be very considerable. But the main point is that we are taking over those radar stations in Canada, manning them by Canadian personnel and operating them with Canadian personnel rather than having them operated by United States personnel.

Hon. gentlemen opposite are always complaining about having United States personnel here stating that it is an infringement of our sovereignty. Therefore rather than complaining about it they should be happy to see Canadian personnel replacing United States personnel in manning those radar stations. The point is, if you take a long enough period you can arrive at any figures you like.

Members of the committee will recall an item which appeared in the paper the other day. There was a clergyman in Boston who sent a bill to the chancellor of the exchequer for $18 worth of damage done to the fence of his church back in 1770 something. He presented a bill for upwards of $750,000. If you take a long enough period you can come up with a terrific figure. In effect this is what the hon. member is doing.

Mr. Pearson: Could I ask the minister a question arising out of the article by Mr. John Gellner which he quoted a few minutes ago. The article criticized the Liberal party. Does the minister agree with this statement in the article:

> The country certainly needs a Minister of National Defence who can overcome public apathy and suspicion, and restore confidence in Canadian military policy.

Mr. Harkness: Where did the hon. member find that? The reason I ask the question is that as I recall this particular statement by Mr. Gellner, he went on to say, "It looks as if Canada has secured one."

Mr. Pearson: No, Mr. Chairman. I will send the article over. It went on to say:

> Let us hope Harkness is the man.

But I am sure his hopes are not realized now.

Mr. Harkness: He suggests strongly that I am the man, as I recall it.

(Translation):

Mr. Deschatelets: Mr. Chairman, this debate, which is of such great significance to all Canadians, has now reached its third day, and we just heard from the Leader of the Opposition (Mr. Pearson) a masterful statement on all aspects of the national defence policy Canada should follow, a statement which the Minister of National Defence (Mr. Harkness) was unable to refute. We therefore have the proof that in this field as in all others, the Canadians who are looking for guidance and leadership must turn to the Liberal party and not to the government which persists in taking a confused and ambiguous position in this and every other matter.

Mr. Chairman, I intend to speak very briefly on this question which seems to me a capital one at this time and which is a subject of interest and concern for the Canadian people. The present situation may be summed up in the following question. What is the policy of this government with regard to the use of nuclear arms in Canada?

Mr. Chairman, I think that the discussion of the estimates of the Department of National Defence, which takes place this year in the midst of an international crisis, would have been a very appropriate moment for the government to state a definite policy and tell us clearly whether or not it had come to a decision with regard to the number one problem, the use of nuclear arms in Canada.

It is inconceivable that the government after three days of debate should leave us in an ambiguous position. The situation is becoming more and more confused. Only yesterday, the hon. member for Essex East (Mr. Martin) when concluding his speech called upon the government and the Minister of National Defence clearly to state their policy in respect of nuclear arms in Canada. As a matter of fact, the hon. member for Essex East said this, and I quote from page 8330 of *Hansard*:

(Text):

> We are entitled to know, before parliament adjourns, with respect to this very vital matter of whether or not the government has a policy; and if it has, the government should state it in a forthright and unambiguous way.

(Translation):

Here is the answer given by the Minister of National Defence, as recorded in *Hansard* on page 8330.

[Mr. Pearson.]

(Text):

> Mr. Harkness: In reply to that, Mr. Chairman, I would say that I do not propose to accept the directions of the hon. member for Essex East as to what I should or should not say in this debate.

I contend that this is an extraordinary statement on the part of the minister and I hope that this observation of the minister will receive wide publicity because he has overlooked a very important fact. When the hon. member for Essex East asked the government to tell us what their policy is he was not speaking on behalf of the Liberal party only but also on behalf of the Canadian people who would like to know what the decision of the government is on this important question.

(Translation):

Mr. Chairman, such indecision on the part of the government is not only disappointing but also detrimental to the interests of Canada, and as long as no clear and specific decision is arrived at on this most important matter, Canada will be incapable of playing the leading part that it should play.

I listened last Tuesday to the statement made by the minister. That statement can only lead to speculation. Here is what he said as recorded on page 8223 of *Hansard*:

> It requires that they be equipped with weapons comparable to if not better than those of a potential adversary. It is the policy of the government that our forces should not be required to face a potential enemy with inferior weapons.

Mr. Chairman, most newspapers understood that the government had decided to acquire atomic weapons and to become a member of the nuclear club. But that statement is ambiguous and causes dissatisfaction everywhere among the public.

I also listened to the remarks of the Associate Minister of National Defence (Mr. Sevigny); he too avoided any definite statement on this capital matter. Indeed, he considered war in terms of the 1914 world war or the second world war because, according to page 8241 of *Hansard*, he stated:

> If the worst should come, if we have to fight again, I do not hesitate to say that we shall once again win the battles of tomorrow just as we won the battles of yesteryear, and this for many reasons.

Well, the minister has forgotten, I think, that victory has no meaning at all in a nuclear war. However, he was a little more careful yesterday than he was when he addressed a rally in Mont Laurier during the last by-election campaign in the constituency of Labelle. I should tell him that I was not far from the place where he was speaking and that I heard him enumerate the advantages of the La Macaza launching base. The

minister will recall, I hope, that one of the reasons for his party's humiliating defeat in the riding of Labelle was precisely the stand taken by his government on this question of nuclear weapons.

Mr. Chairman, after three days of debate, it is obvious that the government's national defence policy is several years old, as the hon. member for Trinity (Mr. Hellyer) has shown, and that the government has not had the courage to adopt a definite position concerning the use of nuclear weapons in Canada. As long as this situation prevails, we cannot hope to play the part we could play, and we would be ill-advised to criticize today the other countries which belong to the nuclear club since our objections to nuclear tests would be weakened because of the position taken by the government.

That is a cause of great disappointment for all Canadians but they have one reason for keeping up their hopes, and that is the fact that there is one political party which has remained true to the policy it has always advocated with respect to nuclear weapons. Here I should like to quote from the newspaper *Le Devoir* of Tuesday, April 11, 1961. Here is what Paul Sauriol had to say in an editorial:

> The Liberal party rally, last January, clearly declared itself against acquisition or use of nuclear weapons in Canada, under any form of control; Mr. Pearson said that such weapons were not required for the time being.

What position we took at the rally was our position before and it still is our position. That is something that one cannot say of this administration.

I do not want to be too critical of the C.C.F. members who have been wearing since last summer a new jacket which fits them about as well as a strait-jacket. As I say, I do not want to be too hard on them, because it is really pitiful to see them trying to take positions now to the left, now to the right, according to the instructions they get.

I simply say that the only encouraging sign for Canadians is the fact that at least there is in the Canadian political life one party with a clean cut position, with a clear stand, a constant stand, and I am proud to be a member of that party, the Liberal party.

(Text):

Mr. Herridge: Mr. Chairman, regardless of the sombre nature of this debate, I for one am very pleased to note two cheering news items in the afternoon paper. The first in the *Citizen*, is headed, "U.S. Ready for Serious U.N. Talks With Russia". It is a Reuters dispatch from London and reads as follows:

> Soviet foreign minister Andrei Gromyko is ready to enter into an exchange of opinions with U.S. state secretary Dean Rusk on Germany and other problems, the Soviet news agency Tass announced today.

The other one is in today's Ottawa *Journal*. It is a report on a meeting held by Willy Brandt, and it reads in part as follows:

> Speaking in the heart of the socialist Ruhr before a quiet, attentive audience of at least 20,000 with several thousand more milling outside, Mr. Brandt rejected proposals for atomic weapons for Germany and pledged faithful adherence to the pact of London that forbids Germany to produce atomic weapons.

I thought I would mention those two news items because they are heartening, I think, to anyone who is interested in watching developments on the international scene.

We have had a rather lengthy and interesting discussion, Mr. Chairman, with respect to military hardware. It seems to me to be pretty well a stalemate, and at times the debate was difficult to follow. Of course, I would not suggest for a moment that I am capable of speaking with any knowledge or judgment on such a question. As a member of the working class I am more acquainted with the saw, the axe, the pick and shovel. I could pass some opinion as to the quality of those tools, but not those that have been mentioned previously in the debate.

Now, Mr. Chairman, at the request of a number of people I again raise a matter that I raised yesterday, a matter that is of serious concern to a great number of Canadians. Yesterday, Mr. Chairman, I made certain statements with respect to General Heusinger and expressed strong opposition to his appointment as chairman of the military representatives committee of NATO. This means that he is one of those who plan the strategy and tactics of NATO and who, indirectly, would direct the activities and actions of Canadian troops. I want to say that my statements were not made lightly. They were not made just to create resentment or anything of that sort. I feel very keenly on this matter and I speak with conviction. I feel as keenly as a number of other persons do, a number of other groups in Canada and in the United States.

The Associate Minister of National Defence replied briefly to my arguments and at one point said that General Heusinger was a man who had served his country with distinction. He then went on to defend the appointment of this general to this very important position. I am quite sure that the Associate Minister of National Defence spoke according to the information he had available. I am confident also that, judging from his remarks,

he has not been completely informed on this matter. In order to put the record straight, and on behalf of a number of Canadian citizens, I want to place the facts on the record. This appointment offends a good many Canadians in various groups, including religious, ethnic and other groups.

In order that there will be no misunderstanding, and for the sake of accuracy, I am going to read at some length. I trust the committee will bear with me so that the facts will be on the record. I have read a number of books and documents that have been brought to my office by people interested in this problem, including one lady of German descent. I have the *Congressional Record.*

The Deputy Chairman: Perhaps the hon. member would be king enough to indicate to the committee how long this quotation is. We have had a rather bad precedent, when a very long quotation was put on *Hansard* the other day, and I would not want to see this become a practice. If the hon. member would indicate to the committee how long it is, that would be helpful.

Mr. Herridge: I would judge, Mr. Chairman, it is about half as long as the interesting statement put on the record by the Progressive Conservative member the other day.

The Deputy Chairman: Perhaps I should get the consent of the committee, then, if it is that long. Will the committee give unanimous consent to the putting on the record of this information?

Mr. Pallett: Why does the hon. member not give the library reference, and then those who are interested can read it?

Mr. Herridge: I shall give the sources.

The Deputy Chairman: I have not had the consent of the committee as yet. Does the committee give its consent?

Mr. Martin (Essex East): Because I was the person who unwittingly made arrangements for seeing that the situation which confronted us the other day was procedurally put on paper, may I ask is the hon. member proposing now that he just table the reference? This would be contrary to our procedure.

The Deputy Chairman: The hon. member indicated to me he was going to quote it. I asked him if he would be kind enough to advise the committee, in whose hands I am on this matter, how long it was. He said it was about half the length of the very long statement put on the record the other day by the hon. member for St. Boniface which I felt, on reading *Hansard,* created a rather bad precedent. I feel I should ask leave from the committee to permit this substantial quotation to be put on the record. Does the committee give its unanimous consent?

Mr. Harkness: I take it, then, that the statement is going to take 25 or 30 minutes to read. Under those circumstances, I do not think we could agree to have the statement read into the record.

The Deputy Chairman: Perhaps the hon. member could paraphrase what it says, and get it on the record in that fashion. I do not want to be unfair, but I do not want to see this practice develop in committee and I think hon. members would agree because the committee could get into a very complex and difficult situation if we were too free in our interpretation of this particular rule.

Mr. Herridge: I shall try to take extracts from this reference. I would rather not paraphrase it because I want it to be exact. This is a most interesting document, and I should like the information to be recorded here. I will read extracts and I will try to be as brief as possible. I certainly do not intend to be anything like 30 minutes.

Now, I am quoting from the United States Congressional Record for April 19 of this year. These various groups had made representations to Senator Wayne Morse—

Mr. Pallett: What page?

Mr. Herridge: The pages I start at is 5893. There are several pages, in fact, but I am only going to take extracts. An appeal was made to Senator Wayne Morse by the American Jewish congress and other groups to bring these matters to the attention of the United States senate, which he did. In doing so, he said:

> Mr. President, I ask unanimous consent that there be printed at this point in the record, as part of my remarks, the fact sheet on the record of General Adolf Heusinger.
>
> There being no objection, the fact sheet was ordered to be printed in the record, as follows:
>
> Fact Sheet on General Adolf Heusinger
>
> (Issued in conjunction with the appeal to Mr. Dean Rusk, Secretary of State, by the Warsaw ghetto commemoration meeting, April 16, 1961, at Manhattan Centre, New York City. The appeal urged the annulment of the appointment of General Adolf Heusinger, chairman of the military representatives committee in permanent session of NATO)
>
> In his autobiography, "Befehl in Widersteit," published in West Germany in 1950, Heusinger wrote that he sympathized with the 1923 Hitler putsch in Munich, but did not participate because he was sure the attempt would fail.
>
> In 1940, Heusinger became chief of operations on Hitler's general staff. Was responsible for the military planning of all Nazi invasions from then on.

In 1942 was made responsible for all actions against partisans. In August 1942 this order, initiated by Heusinger, was sent to the army group centre on eastern front:

"The Fuehrer demands immediate retaliatory action for (partisan) attack on the railroad station in Slavnoye, with the use of the strongest measures of terror. Report what measures you take."

Heusinger's order resulted in the following: In Slavnoye the Nazis threw several dozen live children into a deep well. None survived. In another village, Gayanka, Heusinger's troops exterminated the entire population of 115.

Heusinger, as chief of operations of the OKW (Oberkommando der Wehrmacht)—the high command of the Nazi forces, commanded the special extermination squads (Einsatzgruppen). These squads were given the task of exterminating all Jews and other groups. William L. Shirer describes some of the mass atrocities committed by Heusinger's Einsatzgruppen (see pages 961 to 963 of "The Rise and Fall of the Third Reich.")

In "SS—Alibi of a Nation" Reitlinger says that Heusinger planned the levy en masse of the civilian population on the eastern front (page 386).

Heusinger was one of Hitler's most trusted generals. When a bomb planted by army officers exploded at Rastenburg. East Prussia, during a meeting of Hitler and his top generals, the following facts should be remembered:

After the bombing, Hitler said on the radio, "But you should know of a crime unparalleled in German history. The bomb seriously wounded a number of my true and loyal collaborators." (For Heusinger's role in the aftermath to the July 20, 1944, bombing see Shirer, pp. 1044 et seq.; Reitlinger, "SS," pp. 386 et seq.).

The loyal Hitler general who was giving a detailed report on the Russian front at the precise time of the bombing was Gen. Adolf Heusinger.

That, though wounded, the general who led the vengeful hunt against other Nazi generals who had failed in their plan to kill Hitler so that they could negotiate a separate peace with the West was Gen. Adolf Heusinger.

That the top-ranking military figure who participated prominently in the mass executions that followed—wherein the victims were slowly strangled by piano wires as they hung from meat hooks, was Adolf Heusinger.

That among the handful who survived the bombing and was called by Hitler himself—

This is after the bombing.

—as "my true and loyal collaborator" was Adolf Heusinger.

That the first recipient of Hitler's July 20, 1944, medal commemorating the bombing at Rastenburg was Gen. Adolph Heusinger.

Mr. Pallett: Will the hon. member indicate the page he is on at the moment.

Mr. Herridge: I am on page 5893. I am jumping from paragraph to paragraph in order to be as brief as possible.

On May 27, 1959, the West German news magazine Spiegel wrote: "The question remains open as to how General Heusinger managed to survive, although Stieff names him to the police and the people's court as an accomplice."

General Heusinger was named on the first list of war criminals issued by the United Nations, but escaped trial by being held as a prisoner of war by the U.S. army.

Heusinger has been a consistent supporter of Nazism and Nazi ideology.

Heusinger said: "It had always been my personal opinion that the treatment of the civilian population and the methods of anti-partisan warfare (extermination) presented the highest political and military leaders with a welcomed opportunity for carrying out their plans namely, the systematic extermination of Slavism and Jewry."

Then further on:

General Heusinger tried to save the life of SS Gen. Oswald Pohl, the man who ordered the liquidation of the Warsaw ghetto. Heusinger and Gen. Hans Speidel, today commander of the NATO Ground Forces, made a secret approach to a top-ranking diplomat in Bonn on January 30, 1951, threatening that if General Pohl and other SS criminals were executed, West Germany would refuse to raise an army. (U.S. diplomat Charles Thayer in his book, "The Unquiet Germans", London.).

Testifying at the Nuremberg trials Heusinger spoke highly of his superior, Gen. Alfred Jodl, who was convicted of the most heinous war crimes and was hanged by the neck by judgment of the Nuremberg tribunal for these crimes October 16, 1946. To Heusinger Jodl was a thoroughly decent man.

Heusinger is still proud of the Nazi army and Hitler's ideals. In addressing a meeting of subordinate officers in 1958, he said, according to the Sueddeutsche Zeitung: "We should remember our past and we should not neglect the decisive factors of leadership which brings success. Let us stick to the principles we used to have." The principles "we used to have", we may point out, brought death and destruction to millions in many countries and almost succeeded in the murder of the entire European Jewish population.

On November 11, 1960, in a letter printed in the New York Times, Yale Law Prof. Jerome H. Skolnick termed the Heusinger appointment "disturbing" and said, "I seriously question that we must have such people representing the defence of American freedom and democracy on the world scene... Furthermore, if we ever wish to reach any kind of agreement with Russia to settle the German question, we will have raised tension to a virtually unbearable height to this move... I hope the U.S. government will veto the nomination of this former Nazi.

I have just one more short paragraph to read, Mr. Chairman:

On January 31, 1961, Brig. Gen. Hugh Hester, U.S. Army (retired), in a statement calling the appointment of Heusinger part of our ill-advised policy in the rearming of West Germany, stated: "It seems to me that it would be wise for the U.S. government to withdraw its support of Heusinger, or any other former Nazi. Unless we are willing to do this I fear that the U.S. government will be identified with the policies generally attributed to that system."

Then Senator Morse later repeated his statement that he thought this was a most unfortunate appointment. I mention this Mr. Chairman, in order to place the facts on the record. I could go on and quote from books containing extracts from captured nazi documents which the world Jewish organization has documented very well indeed. I want to make this point. I think of the first world war. I can truthfully say that on a good number of occasions the reason why I did not run away was that I believed our cause was just. I believed that a sense of being morally right is very important in facing the situation we have

today. In my opinion this type of appointment creates unnecessary suspicion so far as the Soviet and other countries behind the iron curtain are concerned. Place yourself in their position, Mr. Chairman, knowing that the chairman of the top planning body of NATO was a general who was merciless in the destruction of their civilian population.

I therefore say that in the first instance it is unsound from our point of view to create this unnecessary irritation and to arouse suspicion on the part of behind the iron curtain countries as to our motives and as to our principles in which we profess we believe. I think it causes unnecessary distress to many people as for instance to the unhappy relatives who suffered from this sort of thing. I think it causes suspicion even among Canadians who are given cause to wonder, when we talk about our being a Christian democracy and use language of that type, how we can justify Canadian troops in reality, if not in effect, actually marching under the leadership of a general with a record such as this. It may create in young people a feeling of cynicism and a lack of belief in the things for which we profess to stand. I know that it creates a great deal of resentment among former veterans of the first and second world wars. Just imagine the feelings of relatives of veterans who sacrificed their lives in the first and second world wars in the defence of principles in which we in Canada believe. With all my heart I believe that an appointment of this type does our cause harm. I feel deeply on this question. I do not think we can justify this appointment. There are a good many other people in our country who feel keenly and sincerely with respect to a question of this type.

The hon. member for Essex East for whom I have great respect made some reference to my remarks yesterday and said that he could understand them as possibly they were somewhat motivated by my experience in the first world war. That is not the situation at all. No one can accuse me of being in any sense a person who has any antagonism towards any race. Anyone who has known of my life throughout the years and my activities in the district in which I live knows that is not true, and that on behalf of even German citizens during the war, I sought to make sure they obtained justice during those difficult times. I do not express these views because of antipathy to any race. I recognize the position of the ordinary soldier who served his country in time of war whether he was on our side or the enemy side. I refer to the ordinary soldier recruited to serve in what he considered to be his country's defence. However, Mr. Chairman, we must remember that people like General Heusinger were the leaders. These were the people who decided policy. They were the ones who gave expression to nazi ideology, nazi ethics in battle, and who transgressed all the known ethics of modern warfare, in so far as one can term war as having any ethics at all.

A good deal of my information comes from friends of mine of German ancestry. A German lady visited my office just a few nights ago. She came from New York to visit me. I have also had Germans working for me in my constituency on many occasions and I know the contribution they make to society. They are the type of Germans who opposed nazism and left Germany because of it in the first place. They oppose nazism and I respect those people.

I am speaking of those who supported this nazi ideology which we, at great cost, defeated in world war II. I and others oppose this appointment because we believe, in the light of all the circumstances of what the western world suffered in world war II and because of our professed principles, that such an appointment is strictly immoral and, as I said before, weakens our cause.

Therefore, Mr. Chairman, in conclusion I urge the government to consider the feelings of the people who feel keenly about this; to obtain the facts and to do what they can to see that this general is replaced by someone with a clean military record, someone who cannot stir up the feelings of many in our country and other countries by creating unnecessary suspicion as to our methods.

Mr. Harkness: Mr. Chairman, I do not propose to enter into any argument with the hon. member for Kootenay West as to the antecedents of General Heusinger. I merely wish to say that the hon. member has given the opinions of one or two men and perhaps somebody else in connection with this matter. My information is that it was precisely because Dr. Adenauer was convinced of the anti-nazi antecedents of General Heusinger that he appointed him as his chief military adviser in, I believe, 1950. I do not think the hon. member doubts the anti-nazi character of Dr. Adenauer or his general attitude.

Mr. Macdonnell: Mr. Chairman, I have just this to say regarding what the hon. member for Kootenay West has said. I have no means of knowing the validity of the evidence he has produced, but it seems to me that to leave this matter open, with the possibility that this kind of thing will be disseminated in Russia, with no valid answer to it except that apparently Dr. Adenauer was satisfied, would be a very dangerous thing.

I hope we will pursue this matter further. It seems to me that if there were not an adequate answer to the evidence produced by the hon. member the Russians would be able to disseminate this opinion which we have received from a reputable source. The hon. member is known to us and his own war record is known. He knows of responsible people feeling as he does in connection with this matter and I hope the matter will not be allowed to drop here.

The Acting Chairman (Mr. McGee): Shall vote 232 carry?

Mr. Martin (Essex East): Mr. Chairman, there is just one brief matter to which I would refer, for the record. As reported at page 8176 of *Hansard*, the other day the hon. member for Kootenay West made this observation, which is reported at the top of the page:

> We were listening to him carefully—

That is the Prime Minister:

> —and at one point we understood him to indicate that it was the government's position that if there were any change in the status of West Berlin, or a war, that we were honour bound in this country to support war. Am I correct in that interpretation?

The Prime Minister said in reply:

> What I said was this. If perchance, and all of us hope to the contrary, war came, we would become a participant because of our relationship, our undertakings and our pledges in NATO.

I simply wish to say for the record that, while it is true that under article VI of the North Atlantic Treaty Organization we would be involved, we have constitutional processes in this country which, subject of course to the exigencies of nuclear war, we must observe. That is, before there is any declaration of war by the executive arm of the government or by circumstances such as I have envisaged, such as a nuclear war, parliament must authorize a declaration of war. There is no automatic involvement. This is our constitutional position. I am sure it was inadvertently left out by the Prime Minister.

The Acting Chairman (Mr. McGee): Shall vote 232 carry?

Mr. Hellyer: Before the vote carries, Mr. Chairman, I have one or two routine questions to ask the minister, if he would like to have his officials come in now. One question concerns the number of people now at national defence headquarters.

Mr. Harkness: As far as the number of people actually there is concerned, I think the details are given at page 316 of the estimates book, which I note the hon. member has before him.

At page 317 it shows that for the year 1961-62 the number is 661, and for 1960-61 it was 670. In other words, last fiscal year it was 670 and this year it is 661.

Mr. Hellyer: Those are the figures given in the blue book, and I presume in the details. I wonder whether the minister can say if there has been any change since these figures were published?

Mr. Harkness: I am informed, Mr. Chairman, that there has been no change in that figure since the estimates book was published.

Mr. Hellyer: Could the minister indicate the number of service personnel presently stationed at national defence headquarters and give the comparable figure for a year ago?

Mr. Harkness: I will just give the total figures for the navy, army, air force and tri-service personnel. At December 31, 1960 the total was 3,045; at March 31, 1961, it was 3,029, and at June 30, 1961, it was 3,097. From March 31, 1960, it is given for March, October, December and then March and June. It has varied from 3,039 up to 3,097.

Mr. Hellyer: Could the minister say whether any additional service personnel will be required at national defence headquarters as a result of the proposed build-up both in the regular and auxiliary services?

Mr. Harkness: I do not think there will be any increase. As a matter of fact, some of the military personnel at army headquarters have been used and will be used to man the alternate army headquarters which has been set up and which is now manned. Therefore, the number here will actually be reduced rather than built up, I think.

Mr. Hellyer: I note there has been practically no change in the strength of the personnel either civilian or military at national defence headquarters. I should like the minister to comment on this statement:

> In my opinion the first step which should be taken as far as reorganizing Canada's defence set up is concerned is the complete reorganization of national defence headquarters in order to secure efficiency and economy at that level. I have spoken on this subject before; perhaps it may be said that I have harped on it during the past—

—two or three years.

> I have made speeches on the subject when the defence estimates were up going back to a period of two or three years after the war. In speeches I have made from that time on I have referred to the top heavy organization of defence headquarters and the large proportion of service personnel in administrative and desk jobs as compared to those in fighting units.

A little later on the hon. gentleman said:

> In any event it has been my contention for several years past that defence headquarters is top heavy and as a result wasteful and inefficient. I now have two very powerful witnesses to reinforce

that claim. General Simonds has said in this article that the headquarters is top heavy. The minister, of course, said that was only his opinion. I think that opinion is a very weighty one and it is reinforced by General Macklin and every other retired officer with any experience with whom I have ever spoken with regard to the matter.

Would the minister agree to comment on that statement, and indicate if in his opinion it is still a fair reflection of his views?

Mr. Harkness: Would the hon. member give us the source of that extract?

Mr. Hellyer: Well, with very small paraphrasing, the minister himself is the author.

Mr. Harkness: I recognized some of the phrases although I did not recognize the passage entirely and I wondered what the hon. gentleman was reading. Was he perhaps paraphrasing something which appeared in *Hansard*?

Mr. Hellyer: The pasage appeared in *Hansard* on July 19, 1956 and the only change I made was to change seven or eight years to two or three years. The hon. gentleman will find the reference on page 6175 of Volume 6.

Mr. Harkness: First of all, since that date the number of civilian employees employed in the headquarters of the department has been cut down from 791 to the present strength of 661. In spite of the fact that the workload has been increasing there has been a considerable reduction in the number of personnel at headquarters. As far as the various staffs are concerned, as I have indicated, some of the headquarters personnel are now being employed in manning the alternate army headquarters which have been set up. Some of the personnel who will be used to man the target headquarters outside cities will also come from this source.

In addition, I should like to tell the hon. member that I instituted some time ago a very thorough manpower study with the object in mind of cutting out any unnecessary personnel who might be shown to be on the strength of the national defence headquarters.

Mr. Hellyer: Has that study yet been completed?

Mr. Harkness: No, it has not been completed yet.

Mr. Hellyer: Can the minister say how many persons are on his personal staff at the present time and also how many are on the staff of the associate minister?

Mr. Harkness: The number of persons on the combined staff of the associate minister and myself is 34. I may say that the number of persons on my own staff is, I think, smaller than the number employed on the staff of any minister of national defence in the last years at least.

Mr. Hellyer: It seems that the associate minister is compensating for that difference.

Mr. Harkness: I think the total number of people on the staff of the minister and the asociate minister is less than the number serving in the period of Mr. Claxton and Mr. Campney, though I will have that checked. This is despite the fact that the workload has considerably increased; we have many more military commitments than we had then.

Mr. Hellyer: It is also due, perhaps, to some of the additional confusion.

I wonder if the minister has any plans for a new national defence headquarters and whether a site has yet been chosen.

Mr. Harkness: As the hon. member is aware, this matter has been under consideration for a long time—at least for ten or 12 years and perhaps even longer than that. Several sites have been considered, but to date no agreement has been reached between the Department of National Defence, the National Capital Commission and the Department of Public Works, in particular, as to the exact site on which the national headquarters will be built. I sincerely hope we shall be able to get an agreement on the site and begin construction in the fairly near future.

Mr. Hellyer: Is this decision subject to the troika principle?

Mr. Harkness: I do not know what the hon. gentleman means by that. However, I think he is aware that all three departments are concerned in this matter.

Mr. Hellyer: I realize it is not usual to prepare any working drawings or anything of that kind before a site has been chosen, but can the minister say whether there have been any preliminary studies of the requirements with regard to space, the type of building which will be needed, the provision of the protection against fall-out and so on.

Mr. Harkness: The study on manpower requirements at the national headquarters is related to this very question. If we find we can cut down the number of personnel at the headquarters it would, of course, mean we could construct a smaller building than would otherwise be the case. There have, of course, been a considerable number of studies regarding the space which would be required in order to bring under one roof, or into one set of connected buildings, all the installations, numbering at the present time something of the order of 53, I believe, which are now scattered about Ottawa.

Item agreed to.

Inspection services—

233. Operation and maintenance, $7,224,436.

Mr. Carter: I understand that the inspection services include the inspection of the quality of purchases of material and equipment and that they also cover the quality of performance. Will the minister say who carries out the inspection of the fixed assets and stores which are kept over a period of years? Will he also tell us whether the inspection services have anything to do with the inspection of the efficiency of administration or the efficiency of training?

Mr. Harkness: The inspection services have nothing to do with those two latter matters. Once goods have been purchased and delivered to the respective services each service is responsible for the inspection of those stores in its own quartermaster's stores and so forth. Essentially the inspection services inspect articles which are being delivered to the Department of National Defence to ensure they are up to specification.

Mr. Carter: Who is responsible after that? Does the responsibility for continuous inspection rest with the commanders?

Mr. Harkness: Once the stores are delivered —we will take boots as an example—they are delivered to the ordnance depot and the ordnance depot is responsible for seeing that they are kept there under proper condition and in good shape. Then, when they are delivered to a unit, say an infantry battalion, that battalion is responsible for their proper storage and to see that they are kept in proper condition there.

Mr. Carter: I was thinking of stores that might deteriorate over a period of years. Who would carry out any tests on goods that might deteriorate? Is that done by the ordnance department, or is there some machinery within the command for that?

Mr. Harkness: It depends on what type of stores they are. If they are medical stores, the medical service would declare them unserviceable when they considered that they had reached that stage, we will say. With respect to dental stores, the dental people would do it. With respect to general stores, the ordnance people would do it. If a unit has some stores that it thinks are unserviceable it declares them unserviceable and the ordnance people inspect them, and if they agree they are unserviceable they take them to the ordnance stores for disposal.

Mr. Hellyer: Will the minister elaborate a bit with respect to the extra work load referred to in the blue book? Under this item the total expenditures for construction and equipment, as he knows, are reduced this year over last year. Therefore, it would seem that the number of inspectors necessary should decline as well. The blue book mentions the SAGE installation and radar gap-fillers as one reason for the continuing work load. Can the minister say whether he is getting assistance from the United States air force in respect of the inspection of the SAGE installation, for example? They are experienced in these matters and might be giving him some assistance. Can he explain to us why so many personnel are needed when the expenditure is reduced?

Mr. Harkness: We are doing all the inspection on behalf of the United States air force for these installations in Canada.

Mr. Hellyer: Would it not be reasonable to engage the services, by loan or otherwise, of some people who are familiar with the same types of installation in the United States?

Mr. Harkness: I am informed that our people are thoroughly familiar with this, and this provides means employing Canadians on this work in Canada rather than bringing in people from the United States to do it.

Mr. Hellyer: That is fine. I presume they must have gone to the United States and probably gained at first hand the experience that was to be gained there. Can the minister say whether there are any inspection personnel at A. V. Roe? If so, what are they engaged in doing?

Mr. Harkness: None of the people of the inspection service is at A. V. Roe. However, the air force has personnel there who are carrying on inspection work as the work proceeds.

Item agreed to.

234. Construction or acquisition of buildings, works, land and equipment, $211,000.

Mr. Carter: Is the policy with respect to armouries likely to be revised as a result of the increase in personnel for the army? What is the present position with respect to the possibility of an armoury for Newfoundland?

Mr. Harkness: The hon. member is asking this question on item 234 which comes under the inspection services. If he would bring up the question when the army estimates are under consideration I would then have the answer book here to see what the situation is in regard to an armoury in Newfoundland. Of course, the statement that I made the day before yesterday in connection with armouries generally would be applicable here. We have an armoury construction program. I would like to see it increased, but the construction of armouries has not been considered as much a priority item as some of the other things we had to spend the

amount of money we got on, and therefore we had not been able to construct as many of them as we would like to have done.

Mr. Carter: May I conclude that there is still hope?

Mr. Harkness: As far as a specific answer to the question about an armoury in Newfoundland is concerned, if the hon. member would bring it up when we get to the army estimates I would be glad to give him the definite information.

Item agreed to.

Royal Canadian Navy—
235. Operation and maintenance, $208,135,049.

Mr. Hellyer: I should like to ask the minister a question in respect of the navy. If he will consult page 1 of his blue book, the preamble, under the heading "Royal Canadian Navy" he will see listed there four roles for the Canadian Navy in support of Canadian defence policy. This numbering is mine. The roles are: (1) maintenance of sea communications; (2) the defence of Canada against attack from the sea; (3) to contribute to the collective defence of the NATO area from attack from the sea; (4) to contribute naval forces to the United Nations as may be required. Can the minister indicate which of these four roles is the most important role of the Royal Canadian Navy?

Mr. Harkness: These roles are so interconnected that I do not think I can pick out one and say it is the most important. As I think is quite clear, they are not set out 1, 2, 3, 4, as the hon. member has just put them; they are put in as a sentence. As I say they are pretty closely interconnected. Therefore, I do not think you can pick out one and say it is the most important role.

Mr. Hellyer: Would the minister care to tell the committee what in his opinion is the principal threat against which the Canadian navy is to operate?

Mr. Harkness: Of course, the principal threat is the submarine threat and, as is indicated here—it has been indicated on numerous other occasions—our navy is basically an anti-submarine navy consisting principally of destroyer escorts and frigates. The destroyer escorts particularly are specialized anti-submarine ships. The carrier and the tracker aircraft and the interceptor aircraft that it carries really for protection from the air, and the helicopters which are now being added to the destroyer escorts—the whole thing is designed to be a well co-ordinated anti-submarine force. It also, of course, has a capability for general sea warfare.

[Mr. Harkness.]

Mr. Hellyer: As the minister knows, the Russians are reported now to be producing atomic powered submarines, and concentrating on the production of atomic powered submarines from which nuclear missiles would be launched. Presumably, in an attack against the North American continent the Rusians would use their present supply, or the supply existing at that time, of nuclear powered missile launching submarines. If the minister is concerned about protecting the deterrent as well as providing such protection as he can to the Canadian civilian population, what provision is he making through the Canadian navy to cope with the threat from the atomic powered nuclear submarine?

Mr. Harkness: Mr. Chairman, as I have just indicated, the navy is essentially an anti-submarine navy. It is designed to be able to hunt out and destroy enemy submarines. Part of the strategy at the present time is to do that as far away from the coasts of North America as possible. The fact that nuclear submarines may be in possession of the Russians as they are in the possession of the United States and that these nuclear submarines are faster is precisely the reason why we are equipping the destroyer escorts with helicopters. We are doing so in order that they will have the capability of tracking, and discovering and finding these submarines and destroying them at a considerable distance from the destroyer escort from which the helicopter operates and also at a considerable distance from our coasts.

Mr. Hellyer: Is the minister contending that Canadian destroyer escorts with helicopters would be capable of seeking out and destroying nuclear-powered submarines at some distance from our shores in either the Atlantic or Pacific oceans?

Mr. Harkness: The answer is certainly yes. That is the basic purpose of the destroyer escort, particularly equipped, as I say, with a helicopter.

Mr. Hellyer: Perhaps the minister will let me make this comment. Here again I think that we are left in a most unfortunate position. The minister has stated, and he has been very careful with his language, that that is the purpose. We all know that is the purpose of the destroyer escort. We know that is the purpose of an anti-submarine force, but the minister did not say that we have that capability and he knows that we have not. What is more, the minister knows that we are not getting that capability.

Let me say for the minister's benefit that I have seen an atomic submarine in action and it can swim circles around our destroyer escorts or anything like them. The minister

knows this, and these submarines cannot be detected and destroyed with the type of naval vessel that we have. What is the minister contemplating that will cope with this threat? Is he contemplating the construction of anti-nuclear submarine submarines or anything of that nature with the speed, range and capacity to be able to deal with that type of threat?

Mr. Harkness: All I am saying is that our competent naval officers inform me that the sort of statement the hon. member has just made is completely erroneous, that our anti-submarine vessels, particularly when they are completely equipped with helicopters using sonobuoys and so on, have the capability of destroying submarines at any time. Certainly you are not going to destroy every submarine. It was not done during the last war and it was not done during the first war. However, a very considerable number of submarines were destroyed in both of those wars and the submarine threat was eventually beaten.

There is also no question that the faster the submarine the more difficult it is to detect and thus to destroy, but nevertheless we have a very considerable capacity to destroy submarines at any time. Therefore I deplore the hon. member stating as though it were a definite fact that we have no such capacity. He has no means of knowing that. What he is really doing is making such statements in direct contradiction of the opinions of all those people who have devoted their lives to naval service, not only the senior naval officers in our service but in the British, United States and other navies.

Mr. Pitman: I should like to follow up the comments of the hon. member for Trinity because I think it is the duty of hon. members in spite of the opinions of the experts to find out as much as we can about the defence of the people whom we represent. I think we are getting right down to the bottom of this whole thing right now as to just exactly what the value of our defence is.

The minister said yesterday afternoon that the enemy can have enough power to blow up the whole world but as long as they cannot deliver this power we seem to be fairly safe. I think that is a very good point but there seems to be quite a difference of opinion as to just what the capability of the enemy is. Perhaps we can assume that the enemy is only going to start a limited nuclear war and will only use a few submarines, a few I.C.B.M.'s and so on, but I think this is a fantastic concept and that the war will be an all-out one from the very beginning. Surely common sense would lead to this conclusion. Certainly a submarine war would be the most potent method having in mind their mobility and so on. I would hope that we would realize the danger of the situation. I do not think we are deploring the opinions of the experts or in any way trying to bring strategic concepts into question. If the strategic concepts of the government hold water then we have no criticism; but I wonder.

We understand, for example, that the Russians have 500 submarines. I was very happy to hear the minister say that the major role of our navy is anti-submarine activity, but do we have in mind dealing with submarines that are out to sink shipping or is it a case of dealing with submarines the purpose of which is to strike at our cities, each submarine having far more power than all the bombs dropped in the last war?

In the blue book it is stated that we are responsible for the collective defence of the NATO area. That is a very large area involving the Atlantic, the Pacific, the North sea, the Mediterranean and so on. Can the minister tell us what particular areas Canada is responsible for and can he possibly tell us how many submarines might be likely to move into this area on the basis of the studies that are being made by the experts?

The minister said that the Russian power to deliver is limited. Everything is limited. Nothing is unlimited, but to what extent is their power to deliver limited? How many of the submarines moving into the areas for which our navy is responsible would actually be nuclear submarines? We cannot tell, of course, which are and which are not. What is the speed of the aircraft carrier, the destroyer escorts and frigates which are being equipped for anti-submarine activity? What are the detection capabilities? I think the Canadian people should know to what extent they are paying for defence, or to what extent they are simply paying for activities which will show that the government is doing something in the naval field but which activities are not really very important.

I should like to remind hon. members that we are not trying in any way to add to the terrorizing effect of the U.S.S.R., as the minister seemed to suggest. Before the last war Churchill was accused of trying to terrorize the British people when over a period of four or five years he was merely trying to put before them the realities of the situation in Europe which he felt had to be met. I think the Canadian people should know what the reality is on the basis of the knowledge that is available to the Minister of National Defence. Can the minister answer any of my questions?

Mr. Harkness: I think that I had better explain first of all that the defence of the north Atlantic comes under SACLANT, the supreme allied commander Atlantic, who occupies the same sort of position as General Norstad does in SACEUR so far as NATO defence of the European land area is concerned. In the event of war he would have under his command not only the Canadian Atlantic fleet but also the United States and British Atlantic fleets, all of the other NATO naval forces in the north Atlantic. To begin with, he would dispose of all those naval forces in such a way as to form an anti-submarine screen. The purpose of the screen would be to try to destroy Russian submarines trying to get through the comparatively narrow waters leading from the Arctic ocean and between Iceland and Norway and also to prevent them from getting out of the Baltic. The purpose would be to contain as many as possible in those areas and also, of course, to destroy any that were already loose in or that got through into the Atlantic. In other words, the first function of the north Atlantic naval forces would be to destroy as many enemy submarines as possible and to keep them as far away as possible from the shores of the NATO countries. Subsequently, it may well be that Canadian naval forces would be employed in the convoying of merchant vessels in order to attempt to defend them from possible attack by submarines. I do not know whether or not this answers the question of the hon. gentleman, but broadly speaking that is the concept.

Mr. Pitman: The situation is even more serious than I suspected, Mr. Chairman. You are assuming that the Russians, if they start a war, will have all their submarines in the Baltic and the Arctic and would not have them deployed throughout the world. It appears that there is no particular duty for the Canadian navy except to act as convoy for ships. This is not facing up to the reality of the situation in which Canada would be placed if war came. The minister said himself this afternoon that the Russians would not likely engage in a limited war, and there was no sense talking about giving the forces non-nuclear weapons because there would be an all-out nuclear war.

What we are doing in connection with naval defence there has no relationship whatever to what the minister said this afternoon about the kind of war which every military expert I have read suggests is going to take place. It will be a war which will take place in 30 minutes and the destruction will be so fantastic that I doubt very much whether there will be any convoying of troops from one place to another afterwards.

[Mr. Pitman.]

Mr. Harkness: I think the hon. gentleman completely misapprehended the remarks I made. I said the first purpose of the North Atlantic naval forces would be to destroy Russian submarines and to contain them in their home ports in so far as possible. I said that one of the purposes would be to hunt out and destroy Russian submarines that may be loose in the Atlantic. Now, this is so far as the Atlantic is concerned. Then I said that subsequently maybe Canadian naval forces might be used in convoy work. This would only come later if a protracted struggle developed. This may not happen at all. In any event the primary purpose, and I should like to emphasize this, is to hunt out and destroy enemy submarines.

This applies also, of course, to the Pacific coast. On that coast this is a matter for co-operation between the United States Pacific naval forces and the Canadian naval forces. In the Atlantic area, the war plans are made by the supreme allied commander, Atlantic. He has specified the forces he would like from Canada and there are defence plans drawn up as to how those forces would be employed. I am not, of course, at liberty to state what those plans are.

Mr. Hellyer: I agree with the hon. member for Peterborough that we are carrying on here with this air of unreality which has seemed to weave in and out of the minister's remarks during the last two days. The minister deplores any statement which is made from this side of the house which is not in agreement with the statements he makes. However, this afternoon we had an example in clear terms of the fact this committee cannot rely on the information given to it by the minister. He said, in effect, you must not challenge the word of senior naval officers. I have here some opinions from a senior naval officer which are not in accordance with what the minister said. Now obviously, there is a difference of opinion.

This is what he says:

> The only concession to reality is the mention of the anti-missile defence exercise on page 6—

That is in the blue book.

> —when U.S. submarines, presumably playing the role of missile-firing "enemy" submarines, provided "realistic and elusive targets". I'll bet they were elusive. Our naval forces today are not designed to deal with these sorts of things at all unless the "enemy" submarine purposely presents himself for sacrifice as a part of the war "game" just to make the "friendly forces" feel better. And this is often done for political purposes.

Mr. Speakman: On a point of order, Mr. Chairman, I should like to ask the hon. gentleman to identify the article from which he is reading.

Mr. Hellyer: I will identify it as soon as I am finished.

Mr. Harkness: I do not think this is good enough. When an hon. member is asked to identify what he is reading from, I think under the rules he is required to do that and not say he will do so after he has finished.

Mr. Hellyer: I do not know, Mr. Chairman. I have been in the house when the other procedure was followed and, when a document was read it had to be tabled at the end, or the source had to be given. Whichever way you rule, Mr. Chairman, I shall comply; it makes no difference to me.

The Acting Chairman (Mr. McGee): I suggest, not having had the opportunity of surveying the specific rulings on the matter, that it would be logical, if the hon. member were asked a question concerning the source of the material, that the committee be given the information at that time. I do not think this is a real point of dispute, is it?

Mr. Hellyer: Not with me, it is not. The author is Captain David Groos, and he goes on to say—

Some hon. Members: Oh, oh.

Mr. Hellyer: Do not turn up your nose at one of the brightest young naval officers this country has produced in quite a while.

An hon. Member: He cannot be very bright or he would not have been in the Liberal party.

Mr. Hellyer: I continue the quotation:

> The entire scheme of things is to my mind quite unrealistic and don't think the men in the Canadian navy don't think so too. They are, however, bound hand and foot to this concept agreed to by the government some years ago...when it was still valid...and somehow never changed since to meet the conditions of today.
>
> As long as our navy is obliged to play this "head in the sand" game and obliged to provide forces to deal with this out of date concept, I suppose there is little wrong with the way they propose to spend our defence dollars this year... it will provide work for our shipyards and it will fill the pay envelopes of our sailors and shipbuilders. But don't let us be fooled into thinking it will provide us with any maritime defence. It won't.

Later on, he says:

> Is it a valid concept in the present age? Of course not. We must come up with a "new look" in operational forces to deal with the new but very real threat from missile launching nuclear submarines. These are the real threat to this country and we must get the government to admit it. In these new forces Canadian nuclear-driven submarines designed to seek out and destroy other submarines, especially these missile-launching submarines, will undoubtedly play a major role. They are well known to be far and away the best, in fact they are the only effective type of anti-submarine vessel there is and they can be built in Canada in Canadian shipyards by Canadian workers.

This is not an isolated opinion.

Mr. Churchill: The hon. member has identified the author, but he did not give us the title of the document or the date of its production.

Mr. Hellyer: It is some notes on defence estimates by Captain David Groos, and I will give them to the minister or table them if that is desired.

Mr. Browne (Vancouver-Kingsway): I wonder if the hon. member could tell us whether or not this was the speech made while Captain Groos was a candidate in the Esquimalt-Saanich by-election?

Mr. Hellyer: The answer to that question is no. This is a responsible statement by an interested Canadian citizen trying to make a contribution to national affairs, and a very real contribution. This article points out in clear terms that in respect of naval policy, as in respect of most of its policies, this government has no conception whatever of what is going on in the world of military technology today. The minister told us earlier in the debate that two or three years lead time is required in the development of nuclear vehicles. During a recent trip to the United States in discussion with naval officers there, they indicated that, in their opinion, the only possible way that nuclear submarines could be dealt with would be by an atomic device. I should like to know if the minister concurs with this opinion or whether he does not. If he does, has he any plans to obtain atomic devices for the navy? If not, does he contemplate giving the matter any study because, as the minister can well appreciate, by the time he adds two or three years lead time to the end of his survey, any potential all-out war might be over.

Mr. Harkness: I should like to deal with several of the comments that were made. I will deal with the last one first. There has been a good deal of study given to this matter. In fact, the means of killing submarines is one of the most intensive and continuing studies carried on by the navy. There is no question that the use of a reasonably small yield nuclear weapon would be more effective in destroying a submarine than would a conventional bomb or torpedo. I think there is no question about that fact because you get a much bigger explosion. However, there are plenty of conventional bombs and torpedoes which are also effective in destroying submarines. As to the matter that he mentioned first, namely some notes by Captain Groos, with regard to opinions as to strategy I would merely say this. I prefer to take the advice of the senior

serving officers in the Canadian navy, the British navy and the United States navy rather than the opinions of a retired naval officer who has just recently been standing as a Liberal candidate in a by-election and whose opinions on this matter might therefore be looked upon as being somewhat biased, having regard to the fact that they were supplied to the hon. member for use in this debate.

Mr. Hellyer: All I can say is that the minister's policy in respect of preferring the advice of serving officers over that of recently retired officers must have changed in the last three years or so. He used to take quite a different attitude. I can assure him that there is no bias whatever in the argument presented by Captain Groos. This was put forward in all sincerity in order to help bring to the attention of the nation the head-in-sand attitude of the minister in the hope that at some time in the not too distant future he will pull it out.

Mr. Pitman: I think we are living in some kind of fairyland here. It just does not seem to me that the kind of war that is going to be carried on, if one takes place has come to the realization of this government. It would seem we are being told that it is going to be a much different kind of war than any in the past. Everywhere I look, in the magazines and in the latest books, it seems to be indicated that it is going to be a nuclear war and an all out war.

Mr. Grafftey: Show us your crystal ball.

Mr. Pitman: The minister says, and probably quite rightly, that our naval forces are involved in SACLANT and so on. We are dealing with the estimates of our naval forces. We have not yet found out where those naval forces might be deployed, to what extent they can handle this area, or to what extent they can actually defend Canadian shores. In other words, we cannot find out and give the information to the Canadian people. I am sorry but I do not think I can go back to my constituency and say that the naval experts say thus and thus but that our Minister of National Defence simply says this is what he believes or this is what the naval experts believe. I want to hear on the floor of this House of Commons the extent to which this defence is actually possible. I asked the question as to the area our navy can be expected to look after in such a nuclear war and I have been told that they will be deployed in a certain area. The minister did not say that for security reasons this could not be stated. He has not said that the number of our submarines could not be stated.

[Mr. Harkness.]

I should like to know to what extent these ships have detection capable of picking up these submarines. It seems to me there are a great many questions which I should like the Canadian people to have answered. If there is no defence we have got to start working somewhere else. Perhaps this will affect our emergency measures organization too. I think it is an extremely disconcerting aspect of the whole picture.

Mr. Harkness: I do not think the hon. member took in what I said a short time ago. The defence on the north Atlantic is a combined fleet of the NATO countries which have NATO forces bordering on the north Atlantic. All the naval forces of all of these NATO countries in the event of war come under the command of the supreme allied commander, Atlantic. It is then up to him to deploy those forces in the places where the Russian submarines are found to be. You cannot say that the Canadian navy is going to be used from point A to point B and point C and point D. It may be used any place on the north Atlantic where needed to hunt down and destroy enemy submarines. The same thing applies as far as the Pacific fleet is concerned. As I said, in the event of war it is a combined command between the United States and Canada. Also the naval forces of the United States and Canada in the Pacific would be used as one co-ordinated weapon to destroy enemy submarines and to protect the sea lanes leading in there.

I think that statement is clear enough and I think the hon. member's constituents will be able to understand it quite readily. In the case of ships you do not say that they will work in this particular area and this particular area only. Under modern conditions, the whole concept of naval defence is to have a co-ordinated command which will employ all of the naval resources available in the whole North Atlantic in the place where they are most needed at that particular time. The same thing applies as far as the Pacific forces are concerned. We had the same thing, of course, during the second world war. Canadian naval vessels were employed in all sorts of places throughout the Atlantic ocean, in the Mediterranean and so on.

Mr. Pitman: I wish to remind the minister that it took five years to destroy the submarine menace in the second world war. The German submarines nearly brought Britain to her knees at that time. If an attack took place tomorrow, how long would it take before Canadian ships could occupy the areas they are expected to defend as part of this whole over-all strategy in SACLANT?

Mr. Harkness: The best answer to that question I think is this. Except for the limited number that happen to be in dock refitting at any particular time, our ships are in a state of immediate readiness. At practically all times some of them are at sea. They are therefore available immediately to counter enemy submarines. This is one of the reasons why we are increasing the complement up to full strength, from an average of 86 per cent to 100 per cent. We are doing this so that they will be capable of going out and maintaining patrols for long periods. With 85 per cent manning they are able to go out and manage full operational duties for a few days but you have not enough men to keep them on three hour shifts. They therefore have to work overtime, as you might say, and they eventually become tired. That is the reason why we are increasing the complement up to full strength. We are doing that in order to enable them to operate over long periods of time at full efficiency.

Mr. Hellyer: The minister has said that most of the Canadian navy is assigned to SACLANT.

Mr. Harkness: I did not say that, Mr. Chairman. I said the Atlantic forces are assigned to SACLANT in the event of war and come under his command.

Mr. Hellyer: The minister says the Atlantic forces are assigned to SACLANT in the event of war. He gives the impression that, because they are part of the whole, we do not need to concern ourselves whether they do not have a particular capacity. However, two or three questions immediately come to mind. First of all, may I say this. Surely the Canadian ships have an area of responsibility. Surely there is a function they have to perform. It is an allied command. In addition to that, one of the roles which was put in the blue book—and perhaps it should not have been in the blue book—is the second one, namely the defence of Canada against attack from the sea. The question that arises is this. Are we incapable of protecting Canada against attack from the sea? Must we rely on the ships of other nationals who are also assigned to the supreme allied command, Atlantic, to protect Canadian shores from attack? Is it necessary that the submarines our navy has to cope with should be of the oldest possible vintage, nearest the surface and close in, where they can be easily spotted? I think the minister should give us some more assurance about this, because from what he has said so far I must agree with my hon. friend that there is a terrific air of unreality about this whole thing. We have no feeling of comfort whatsoever that our ships could find, let alone destroy, even the present, let alone future submarines.

Surely if the minister is going to be consistent at all—and perhaps he is not going to be, which would not be too surprising—he should concern himself with the reality of attack from the sea just as he told the committee he is concerned with the reality of attack by air.

May we please have a further explanation from the minister as to just how we are going to cope with an attack from the sea, and how Canada can play an effective role under the supreme commander of the Atlantic, when our ships are not capable of performing some of those functions they would be called upon to carry out if they were assigned a specific task?

Mr. Harkness: Mr. Chairman, the unreality which the hon. gentleman speaks about exists in his own mind rather than in the mind of the Department of National Defence or in the mind of the navy. He is engaging here again in what seems to be the general activity of trying to run down the defence forces of this country by saying they are obsolete, their equipment is no good and they cannot do their job.

He has been doing this regularly. This is his stock-in-trade. Once more I can only say that I deplore an attack of this kind, particularly when it has been pointed out to the hon. member on numerous occasions that the allegations he is making are completely incorrect.

As far as our Atlantic fleet is concerned, as I have already stated, in the event of war it comes under the command of SACLANT and is used in accordance with his orders anywhere in the Atlantic where it can best be used and for which he is responsible.

At the present time, of course, one of the sub-commands in SACLANT is the commander, Canadian Atlantic sub-area. Our admiral at Halifax is the commander of that sub-area. He is responsible for the command and the defence of that area. In the event of enemy forces being in there, forces might be sent by Great Britain, the United States or other NATO people. He would take command of them and would carry on the operations.

In peacetime there is a considerable area off our coasts which the Canadian navy keeps under surveillance. It does this by means of its tracker aircraft and its various ships, and also with the maritime command of the R.C.A.F., which is constantly flying various routes over those waters in order to detect any submarine or other activity of that kind.

This is the way the operation is carried on in peacetime. As I say, in wartime you have

a unified command and all the naval forces of the NATO alliance in the North Atlantic would be used to the best advantage as one striking force.

Mr. Hellyer: Mr. Chairman, the minister has said I am trying to run down the Canadian forces. That, of course, is not true. First of all, to distinguish between the forces and the equipment, I think the Canadian forces are of the finest in the world, but I think they are handicapped by having some of the most obsolete equipment.

The hon. member for Peterborough and myself are trying, like Winston Churchill did in the late 1930's, to shake a complacent government out of its complacency. We are trying to get it to admit the facts of the world about it, and that is a most difficult task apparently.

I wonder whether the minister would indicate to the committee when the first keel of the destroyer escorts was laid, and would he also indicate how many are still under construction.

Mr. Harkness: First of all I wish to state in the most definite terms that our destroyer escorts are considered, not only by our own naval authorities but by those of other countries, as the most modern and up-to-date destroyer escorts possessed by any navy. The number under construction at the present time is six. They are of the latest class. The first of the modern destroyer escorts, the *St. Laurent*, was commissioned in October, 1955.

Mr. Churchill: When the hon. member for Trinity was associate minister of national defence.

An hon. Member: No, not then.

Mr. Hellyer: Not then. I wonder whether the minister would indicate to the committee why, in view of the tremendous technological changes which have since taken place, and more particularly the fact that since then the first atomic submarines and the first atomic missiles carried by submarines have been put into operational use, he continues to build destroyer escorts which were then incomparable and which may still be the best destroyer escorts in their class, but which today are no match for the potential enemy. That is the point we are trying to get across to the minister. We would like the minister to tell us what plans he has to meet the threat of the future?

Mr. Harkness: The destroyer escorts which have been built have been subsequently improved. Improvements have been added to them constantly and their anti-submarine capability has been constantly improved, particularly through the development of the variable depth sonar, which is an invention of the Canadian defence research people.

We are now commencing to modify the existing destroyer escorts so they can carry a helicopter each, in order to greatly extend their range of operations, and thus their ability to both detect and destroy enemy submarines.

The hon. member seems to have the naive idea that if conditions change a bit, immediately you must scrap everything you have. This is the general line he was following last year—scrap this, scrap that, scrap the other and get a complete new line of equipment. You just cannot do that, particularly as far as naval vessels are concerned. The construction of a naval vessel is a long business. The design particularly, of a new naval vessel is a long business. As I have said, our destroyer escorts are as good as any that exist in any navy in the world. I do not know how the hon. member can expect us to do better than that.

Mr. Hellyer: Mr. Chairman, the minister has just underlined the problem. He has said that the designing of a naval vessel is a long business and that the construction of a naval vessel is a long business.

Is the minister telling the committee, in conclusion, so we will understand his position very clearly, that he has no plans for more modern ships than those presently under construction, and that he has no plans for the introduction of atomic weapons into the Royal Canadian Navy? Is that the present position of the minister and of the department?

Mr. Harkness: We have all kinds of plans. There are no plans which have been definitely decided upon, approved and funded which I can announce at this time. The navy has a very considerable number of plans for ships of different kinds and a naval construction program upon which they would like to embark. There are quite a number of variations of their projected naval construction program, but I am not in a position to announce any of these at this time because they have not been definitely approved and there has been no arrangement made as yet with regard to their financing.

The Deputy Chairman: Shall vote 235 carry?

Mr. Hellyer: Before the vote carries, Mr. Chairman, I wonder whether the minister can say what the cost will be in respect of the tanker supply vessel for the current year, and when this tanker will be commissioned and ready for service?

Mr. Harkness: The total cash requirement for this tanker supply ship this year is $5 million.

Mr. Pitman: Before this vote carries I should like the minister to clarify this subject further. We have some 40 anti-submarine vessels. Can we really convince the Canadian people that if the U.S.S.R. should decide to attack Canada these vessels which are the sole defence of the Canadian area would have any hope whatsoever of destroying nuclear submarines armed with nuclear weapons? Can the minister give the Canadian people any indication or hope whatsoever that this naval contingent for which, as the hon. member for Trinity has said, we have nothing but the greatest respect, is equal to such a task? I think we should stand before the Canadian people and tell them just what the stakes are—not to give them a sense of insecurity but to show them where we stand in terms of modern warfare. Can the minister give us any indication that the Canadian navy as it is today could act capably and efficiently in dealing with nuclear submarines in such numbers as would likely be in Canadian waters or in the areas for which we shall be responsible? Would our forces be able to make any impact upon them whatsoever in the first few hours of attack in the kind of war which would take place in 1961?

Mr. Harkness: I have tried on several occasions already to make the situation clear to the hon. member but he seems to have the notion fixed in his mind that Canada is going to fight Russia by herself. This is not the situation. He asks whether the Canadian navy can protect Canada against Russian submarines. Well, the Canadian navy is not going to protect Canada by itself. As I have told the hon. member on three or four occasions already, the protection of Canada and of the other NATO countries will be the responsibility of the navies of all the North Atlantic treaty countries which have navies in the north Atlantic. It is a combined affair. In the same way, the R.C.A.F. is not expected to defend all of Canada by itself against the Russian attack; it is part of the continental defence of this whole continent. It is a co-ordinated defence shared by our own R.C.A.F. planes, Bomarcs, the radar lines and the forces of the United States. In the same way the sea approaches would be defended by the navies of all the North Atlantic countries. I think we have to look upon the resources of the alliance as a whole and not have it fixed in our minds, as seems to be the case with the hon. member for Peterborough, that the 43 Canadian navy vessels are going to be the sole defence of the Canadian sea approaches against a Russian submarine attack or threat.

Mr. Macdonnell: Perhaps the committee would permit a layman to make a comment on this question. As I listened to the discussion it seemed to me that what we have here is the minister trying to deal with a real situation—with the facts as they are—while the hon. member for Peterborough—I say this with deference—appears to be talking as if this was merely a war game or, to change the figure, a game of chess. It seems to me there is an unreality about what he is saying and that the minister is striving again and again to reintroduce reality into the discussion as against the war game approach where you can get all the facts and calculate what this unit is going to do or what that unit is going to do.

Mr. Hellyer: With the greatest respect to the hon. gentleman, may I say that if there is an air of unreality here it is not present on this side of the chamber. This is not a game of chess. This may become a game of life or death, yet we are talking about coping with 20 year old submarines. The submarine we got up from the United States so that our chasers would have something real to chase is a vessel that they had kept in mothballs. It is not reality to chase a submarine which has been kept in mothballs and which no one in his right mind would send out to sea in the event of war. That is not reality. It is putting the clock back at the very time when we should be projecting our imagination into the future. It is the hon. gentleman himself who is turning the clock back. I know he has many fine reminiscences of days gone by and he is entitled to them, but the time has come when men in responsible positions have to cease looking to the past. They have to look ahead and use imagination concerning the situation they will have to face in the future. That is what the minister has not done up to the present time, and I urge the hon. member for Greenwood to join with those of us who suggest that the minister should bring himself up to date and stop playing chess with mothball submarines and second world war equipment. He should project himself into the future so as to be aware of the real situation, not of make-believe situations.

May I call it six o'clock?

Mr. Harkness: Just before you call it six o'clock, Mr. Chairman, I should like to say briefly that the hon. member has misunderstood the hon. member for Greenwood just as he misunderstands nearly everything. The point is that most submarines at the present time are, as it happens, of conventional type. Moreover, the Canadian navy gets practice with nuclear powered submarines in practically all of the exercises in which it is

engaged. Therefore the general idea which the hon. member is trying to put over, namely that the navy is playing with 20 year old submarines and does not know about anything else has no validity in fact.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at 7.30 p.m.

Mr. Macdonnell: I wish to make a brief interjection. This afternoon the hon. member for Kootenay West raised certain questions with regard to General Heusinger and at that time I said I thought the matter deserved further inquiry. I have made further inquiry and I wish to withdraw my request. I wish to give a brief explanation.

Hon. members will recall that the Associate Minister of National Defence referred to General Heusinger's record and said that he had never been a member of the Nazi party. He also referred to the fact that he had been one of the people suspected on July 20, 1944; of an attempt on Hitler's life that he had been arrested and escaped from his jail before he was sentenced to death.

I wish also to say that since this afternoon I have made further inquiries through the Department of External Affairs, with the following results: General Heusinger is a professional soldier of long standing, having joined the German army in 1915. In 1950, while Germany was still an occupied country, he was selected by Chancellor Adenauer to reorganize the German defence forces. Since West Germany did not regain a full measure of independence until 1954, the appointment of General Heusinger to this important post in 1950 indicates clearly that he enjoyed the confidence of the United States, the United Kingdom and French governments, which at that time had the status of occupying powers. In these circumstances I think we may accept the endorsation of those countries, and for my part I am ready to withdraw my request this afternoon that the matter be further inquired into.

Mr. Harkness: Mr. Chairman, a question was asked to which I said I would give an answer. It had to do with the combined number of personnel on the staff of the associate minister and of myself, and what the number was in the previous administration. In 1956, the number on the two staffs, the associate minister's staff and the minister's staff was 42. On March 1, 1961 the number was 32, ten fewer.

[Mr. Harkness.]

Mr. Hellyer: Will the minister bring us up to date in respect of the helicopter program for the navy which is referred to in this year's blue book. Will he indicate the number of helicopters in service at the present time and when he expects the remainder of the requirement to be available?

Mr. Harkness: The number of anti-submarine helicopters held by the navy was, front line helicopters, six; reserve helicopters, two. One of these just recently was lost in aiding in the Newfoundland fires. In addition to that they have some other helicopters, four Bells and three Vertols.

As to the time that the other anti-submarine helicopters are expected, they expect that it will be something in the neighbourhood of a year before we will be getting delivery, which will be before it will be possible to install the helicopter landing platforms on the destroyer escorts.

Mr. Hellyer: I presume those helicopters are not the same type as the reconnaissance helicopters which are the army's requirements.

Mr. Harkness: No; they are a much bigger helicopter than that.

Mr. Hellyer: Then, the minister has given up on the possibility of standardization, which was the reason given by his predecessor for the delay in placing orders.

Mr. Harkness: Well, we have attained standardization on the light helicopters now for all three services. However, this type of helicopter for anti-submarine work is a specialized one on which it is not possible to standardize with the other two services.

Mr. Hellyer: Can the minister indicate when the last deliveries of the CS2F Tracker were made?

Mr. Harkness: October, 1960.

Mr. Hellyer: Can the minsiter indicate what the $4 million for aircraft in this year's estimates represents?

Mr. Harkness: The breakdown is as follows: for tracker aircraft, spares and modification, $800,000, anti-submarine helicopters, $3 million, light helicopters, $155,000, delivery charges and taxes, $55,000, which makes a total of $4,010,000.

Mr. Hellyer: What taxes?

Mr. Harkness: The ordinary sales taxes that are charged on all equipment of this type, as I think the hon. member knows or should know, and which are paid by the department on its purchases.

Mr. Hellyer: In the 1961 blue book it is indicated that the Banshee aircraft can be

operated until the end of 1962 at which time the airframe reaches the end of its life. Will the minister indicate whether he has yet reached a decision with regard to a possible replacement?

Mr. Harkness: There has been no definite decision on that. We have been planning on a ship-to-air missile but the exact kind has not yet been decided upon.

Mr. Hellyer: In view of the difficulty posed by the long lead times outlined to the committee on several occasions by the minister can the minister indicate approximately when a decision will be taken with respect to this ship-to-air missile?

Mr. Harkness: No, I am not in a position to do that.

Mr. Hellyer: I have received a complaint from H.M.C.S. *Cornwallis* with regard to working conditions in the laundry room and the wardroom. Has the minister received any complaints recently as to working conditions there, particularly with respect to weekend overtime and the difficult and unsatisfactory working conditions generally?

Mr. Harkness: I have not had any complaints along that line that I can recall. The associate minister, with whom I have checked, does not recall having received any either, nor does the deputy minister or naval headquarters.

Mr. Hellyer: Will the minister or associate minister undertake to check into the situation to see if the complaints are justified?

Mr. Sevigny: I will attend to this matter.

Mr. Hellyer: I have one final question. Would the minister indicate the final disposition of the Shannon park property? I presume that Mr. Dwyer has a paper ready on that for you.

Mr. Harkness: The Shannon park property is one on which the bulk of the married quarters for naval personnel in the Halifax area is situated. There is no idea of disposing of it. There is a plan for the construction by an entrepreneur of more housing there and if the plan goes ahead he will rent the houses so constructed to married personnel of the navy. There is also a projected plan to put a shopping centre there.

Mr. Hellyer: It was the shopping centre I was referring to specifically. As the minister may recall, the shopping centre land was sold to a private entrepreneur without tenders having been called and I understand that the enterpreneur later went into receivership. A question was raised whether the crown had protected itself, whether the land again became the property of the crown or what was the ultimate disposition, whether or not the shopping centre has in the meantime been constructed and, if so, by whom?

Mr. Harkness: I understand this project was transferred from the original man to a second one. He has now completed part of the shopping centre and the remainder is under construction.

Mr. Hellyer: There is one further reassurance we would like from the minister. Is he satisfied with the progress of the shopping centre? Is it meeting the purpose for which the land was sold and filling the function which persuaded the crown to give up the land without calling for tenders in the first place?

Mr. Harkness: I am informed that the project has not gone ahead as rapidly as had been hoped would be the case, but it is now proceeding reasonably satisfactorily and it is expected that it will perform the function which was envisaged for it.

Mr. Brassard (Lapointe): If the project involving construction of houses by the entrepreneur materializes, what is going to be the length of the leases?

Mr. Harkness: As far as the individuals who will occupy these houses are concerned, they will occupy them on the same basis that such personnel occupy ordinary married quarters and thus will have no lease with the entrepreneur who constructs them. As far as the department is concerned, we have a lease or form of guarantee extending to 40 years occupancy.

Mr. Morris: May I ask the minister when the Department of National Defence first proposed the use of land at Shannon park for purposes of a shopping centre, and were public tenders called at that time?

Mr. Harkness: I do not have that information immediately available. I will send for it and give it to the hon. member later.

Mr. Morris: Is the minister under the impression that it was about 1955 and is it not a fact that there were no offers received at that time?

Mr. Harkness: We are not sure about the matter. I think we will have to check the information and give it to the hon. member later. I am informed that there were no offers.

Mr. Morris: Is it not so that the land when transferred recently to the new proprietorship was an entailed sale, that is, it was sold on the clear understanding that a shopping centre would be built there?

Mr. Harkness: That is correct.

Mr. Hellyer: Just to set the record straight, I am sure the parliamentary secretary is aware that the first time it was offered for sale there were conditions attached. In fact, it was a lease arrangement, while when it was sold the second time there were no strings attached except the building of a shopping centre and apparently there was no protection for the crown. Consequently there was trouble when the receivership took place.

Mr. Morris: The hon. member who has just spoken had so short a life in the defence portfolio that perhaps he did not have the opportunity to acquaint himself fully with the file.

Mr. Hellyer: You obviously have not.

Mr. Morris: When the Shannon park project was first advertised it was advertised with the object of securing someone to construct a shopping centre upon it.

Mr. Hellyer: On a lease arrangement.

Mr. Morris: If anyone had come forward it would have been sold under the same conditions.

Mr. Hellyer: Under a lease arrangement. Do not make a false statement.

Mr. Morris: On a question of personal privilege, Mr. Chairman, I have not made a false statement.

Mr. Hellyer: Just check the facts.

Item agreed to.

236. Construction or acquisition of buildings, works, land and major equipment, $71,823,500.

Mr. Carter: I should like to ask the minister if he would explain the reduction in expenditures for armament, equipment and electronic equipment. There is also a reduction in ammunition.

Mr. Harkness: What was the first one?

Mr. Carter: Armament, electronics and ammunition.

Mr. Harkness: Well, so far as armament equipment is concerned, the programs have been continuing programs. They are broken down and the first is guns, mountings and weather-shields. There were $2,328,000 spent in 1960-61 and this year there will be $1,100,000. The thing is that it was a continuing program and this is the amount that is estimated will be required to complete the program this year. There was the Sidewinder missile and facilities in 1960-61, and there are none for this year. Torpedoes and equipment, anti-submarine mortars, mines, et cetera, and there is to be more spent for those this year than last, $1,138,500. Then, there is weapons control systems and facilities, $771,000 this year as against $1,678,000 last year. Again, this was a continuing program and less is required for it. Freight charges, customs, excise and so forth amounts to $90,500 this year as compared with $130,000 last year.

The next item was electronics. There are reductions in several places here but the biggest one is in radio communication equipment. Last year we spent $3,902,000 and this year it will be $1,935,000. There will be a somewhat smaller amount spent on Sonar equipment, about half as much, $845,000 as against $1,498,000, and for electronic equipment, power supply, navigational and internal communication equipment.

Mr. Hellyer: I wonder if the minister would give us a recapitulation of the new equipment supplied to the brigade group in the last 12 or 24 months?

Mr. Harkness: We are on the navy at the present time, Mr. Chairman. This item does not come up until we get to the army.

Item agreed to.

Canadian Army—

237. Operation and maintenance, $359,572,000.

Mr. Hellyer: I wonder if the minister would now give us the recapitulation of the new equipment supplied to the brigade group?

Mr. Harkness: There is quite a long list, but I will keep on reading as long as the committee can bear with it. The list occupies two and one half of these big pages. Does the hon. member want all the items read out?

Mr. Hellyer: Perhaps the minister could just give us the principal ones at the start.

Mr. Harkness: These are all listed as major items which have been received in stock since the second world war. There is the FN rifle and the automatic FN rifle to replace the 303 Bren gun. There is a submachine gun, 9 millimetre; there is a 106 millimetre recoilless and anti-tank rifle and ammunition; there is the 3.2 inch Heller anti-tank rocket launcher and ammunition; there is the S.S. 10 anti-tank missile for training purposes; medium mortars, 81 millimetres, and ammunition; field artillery, 105 millimetre howitzers and ammunition; surface to surface launchers and training ammunition for them; training missiles for the Honest John. There is communication equipment, including the United Kingdom family of very high frequency sets for the brigade group in Europe. There is the five-mile V.H.F. radio sets; the C-42 wireless sets to replace the No. 19. There are the cargo trailers in the one quarter ton-three quarters ton range. Then, there is the "Rat, a Canadian developed vehicle, the Ferret scout cars, standard

military pattern vehicles in the one quarter, three quarter and 2½-ton range. Partial requirements for a 5-ton cargo vehicle. There is the medium gun tank, Centurion, mark V; parachute stores and equipment; light aircraft—the L-19 for air op. flights; Bell helicopters and presently the Hiller helicopter which is now being secured, as well as two Sikorsky H-5 helicopters.

You have ammunition of various kinds. There are kits for up-gunning the Centurion tanks from 20 pounders to 105 millimetres to increase their hitting power, and associated ammunition; short range surveillance radar and counter mortar radar. Special equipment vehicle kits of all kinds; water tanks, light metal workshops, small arms repair and so on; vehicle navigational aids. Then, there is the armoured track vehicle the Bobcat which we have ordered; light reconnaissance helicopters; communications and engineering equipment of various kinds; the United Kingdom heavy ferry and heavy assault floating bridge. Then, there are various machine guns, general purpose machine guns and ammunition.

Those items are the ones that are now forecast for delivery, which have been ordered and so forth. I see these are marked "secret", so I will not go on with them. These are some of the major items of equipment which have been secured.

Mr. Hellyer: I thank the minister for the list. He went back quite far when he went back to world war II.

Mr. Harkness: I said since world war II.

Mr. Hellyer: Am I wrong in saying back to world war II? Is that different from since world war II?

Mr. Harkness: Yes; I think the implication was that it included some world war II equipment.

Mr. Hellyer: I am sure it does include some. Did I hear the minister correctly when he said that some of the 762 millimetre rocket launchers are already installed in Europe?

Mr. Harkness: No, none of them is installed in Europe as I indicated in the house when I made the announcement in connection with this matter. I think we anticipate it will be along towards the end of the year before they will be sent to Europe.

Mr. Hellyer: The minister anticipates that some will be installed this year. I thought I heard him refer to some practice rounds or something. I refer to the previous minister's remarks as found at page 7556 of 1960 *Hansard* where he states as follows:

> While there are no funds allocated in this year's estimates, it has also been announced that the Canadian army is to procure the Honest John launcher and associated surface-to-surface missile, the 762 mm. rocket. This weapon, too, has a nuclear capability.

Then before the defence estimates committee last year at page 330:

> We are acquiring the Honest John which is a ground to ground weapon and which, when we receive it, will be capable of firing a nuclear warhead. When we receive it next year—

That would be this year.

> —it will be capable of doing so. We are training some of our staff and some of our personnel in the uses of that weapon now. The problem in respect of storage and so forth should be solved before we receive this weapon.

My question is this. Does the minister still expect to receive them before the end of this year? If so, will the problem of storage and so forth with respect to nuclear weapons have been solved by that time?

Mr. Harkness: We have received the deliveries of these Honest John launchers. We have formed a battery to operate them—and it will be sent to Europe. We have it under training at the present time. We have secured some practice rockets for practice firing with the rocket launcher. I think that is the situation. As I said, towards the end of this year or early next year we shall have a battery in shape to send over to the brigade in Europe.

Mr. Hellyer: I wonder whether the minister can say whether, as reported in the congressional subcommittee on defence expenditures, the 762 mm. rocket launcher is not accurate enough to use with high explosive shells?

Mr. Harkness: This is the first I have heard of anything along that line. I am informed that this statement is not correct and that the United States are developing a conventional warhead to use with this rocket launcher.

Mr. Pitman: One item in the blue book indicated that one of the duties of the Canadian army was the ground defence of the Canada-United States region. Assuming an all-out nuclear war, just exactly what is included in this term, "ground defence of the Canada-United States region"? What plans are foreseen for the Canadian army in this particular situation? It would seem to me that it is rather unbelievable that the U.S.S.R. expects to invade Canada from the Arctic in this kind of war that I am assuming. I should like an explanation of this particular item, if the minister does not mind.

Mr. Harkness: There is always the possibility of airborne landings in order to knock out particular installations, particularly some of the radar installations and things of that

sort, in order really to prepare the way perhaps for a large bomber attack. There is also always the possibility of a considerable amount of sabotage and things along that line. You therefore must have troops in order to guard against these possibilities. Some of our troops are trained for airborne operations, as parachutists and as airborne troops.

Mr. Pitman: That statement is very interesting but I find it rather hard to believe that they would actually invade with paratroopers before they attacked the country with missiles. It just does not seem to hold water strategically. I find it to be part of this unreality which the hon. member for Trinity was talking about this afternoon. I just cannot see this as a rational phase of the program at all, in terms of the kind of war we seem to be hearing about.

Mr. Harkness: As I explained to the hon. member, the possibility of attempting to seize certain installations and thus to disrupt the general defences of the continent is something which is quite likely to be attempted. If there were no defence against it and if there were no troops that were able to counter it, it is something that would then probably happen.

Miss LaMarsh: The minister mentioned that the brigade group was being supplied with some of the automatic FN rifles. I recently heard a report that these rifles are being withdrawn by virtue of the fact that an error has been made by Canadian Arsenals and in order that they may have the breech blocks modified. I wonder whether the minister can make any statement with respect to the alleged cost of more than $1 million in withdrawing these rifles in order to have modifications made.

Mr. Harkness: The situation is that a modification is being made to the FN rifles owing to the fact that the ammunition made in some of the NATO countries and which we may have to use has a primer which does not work properly as it is pierced to too great an extent by the Canadian FN rifle. With the ammunition made in Canada there has been no difficulty whatever. However, with a very occasional round of ammunition from some of the other NATO countries there has been difficulty in that there has been a bit of a blow-back. Nobody has ever been seriously injured by this blow-back but there is the possibility that a man might lose an eye if this happened. Consequently we are modifying all these rifles in order to ensure that any country's ammunition of this calibre can be safely fired in it.

[Mr. Harkness.]

Miss LaMarsh: Can the minister assure the committee that the modifications now required are not the result of certain modifications made at Canadian Arsenals to the Belgian designed rifle, and were not made by any of the other NATO countries which accepted and took into use this rifle?

Mr. Harkness: As far as I recall the matter, although I have not been able to get the specific information here, the Canadian manufactured rifles were made with a slightly heavier barrel in order to give a longer life and a longer range. As I say, the Canadian ammunition has never caused any trouble whatever but some of the European ammunition very occasionally has resulted in a bit of blow-back, as I stated.

Miss LaMarsh: Can the minister inform the committee what the estimated cost per rifle is for the modification?

Mr. Harkness: I cannot break down what the cost is for this particular modification. Some other modifications are being made at the same time that the rifles are going in for this particular modification. They are really what you might call normal improvements and also include the replacement of damaged or worn out parts and a general clean-up of the weapon. The cost for the whole thing will run to approximately $16 per rifle.

Miss LaMarsh: I have one other question, Is it correct that the army has directed that the FN rifle be used with a weaker cartridge than that originally designed for it because of the fact that there is a gas leak around the breech block?

Mr. Harkness: No, Mr. Chairman. As I indicated before, we have restricted the use of certain lots of ammunition which did not prove to work completely in all cases, in order to ensure there would be no danger to any of the personnel using it through blow-back.

Mr. Pitman: Mr. Chairman, I should like to continue the questioning on the FN rifle. Could the minister please tell the committee when the last competition for the Hamilton Galt trophy took place, and how the scores compared since the Lee-Enfield rifle has been out of use during the last few years?

Mr. Harkness: I have not that information here. I will have to send for it and give it to the hon. member later.

Mr. Matheson: Mr. Chairman, on Thursday, September 7, the Prime Minister told us that the government, after consultation with allied governments in NATO, has come to the conclusion that certain measures

should be taken to strengthen Canada's preparedness for defence both at home and overseas.

I refer to a booklet called "The Record Speaks". On the cover there is this passage:

> The government of Prime Minister John Diefenbaker has accomplished more for the ordinary man and woman of Canada than any government in our history.

There is a very appealing chapter entitled "National Defence and Defence Production" over the signature of Hon. George Pearkes, former minister of national defence. The first sentence reads as follows:

> Despite increased costs for new equipment in a new age, Canada is spending less dollars on defence. In 1960-1961 defence expenditures are down 10 per cent from 1956-1957, the last year under the Liberals.

I do not wish to introduce a partisan note in this debate—

Mr. Grafftey: But you are going to anyway.

Mr. Matheson: —but I am concerned about what appears to be a drop of approximately $145 million on over-all defence expenditures, if I read the estimates correctly, from the year 1956-57 to which Hon. George Pearkes referred. In particular I am interested in, not the equipment of the army but the personnel of the army.

There is one thing in which I think this committee is very interested. That is the Canadian services colleges. I am referring to an article written in the Royal Military College review of 1959 by the director of studies, Colonel W. R. Sawyer, who writes as follows:

> When the college was reopened after the war, strong emphasis was put on the principle that the level of instruction should be equal to that of the universities. The minister of national defence, the Hon. Brooke Claxton, stressed this in his address at the official opening ceremonies on September 20, 1948:

Colonel Sawyer goes on to say in his article:

> We have steadily held to the view that these qualities can be developed best by study of the three traditional branches of learning—the humanities, the social sciences, the physical sciences.

I think there is reference to the fact that the Royal Military College is the only military institution in the commonwealth which is degree-conferring. I have occasion from time to time to be in Kingston at a sister institution and I can speak most enthusiastically about what we see and hear of Royal Military College.

I think great heart has been given to people who care about our military affairs by the strong leadership in that school and the level of teaching that has prevailed. I know that the Hon. Ralph Campney has been extremely interested in the Royal Military College and I know that General Pearkes maintains a close interest. We rejoice in the appointment of Brigadier W. A. B. Anderson, with his superlative background, the most honoured graduate of his year in R.M.C., a graduate of Queen's University with service in the Royal Canadian Horse Artillery. He has graduate training from nearly every important staff college in the world and has given our institution great dignity and strength.

We know, too, that Colonel Sawyer, with his almost 100 highly qualified teachers, nearly 40 of doctorate level, has done a great deal to lift military training in this country to an extent to which we are certainly proud. I have studied with some care the calendar offered by Royal Military College and it is amazing to see the strength of departments that are not really directly military in their nature.

Personally, I concur very much in the emphasis stressed by Colonel Sawyer of elevating Royal Military College and the sister colleges to the type of institutions that will make our cadets great service officers in due course by staffing R.M.C. with the best, most highly qualified people possible.

It seems to me that more than ever before the army needs flexibility, a fresh approach and the type of personnel who will be capable of dealing skilfully and well with many new situations, problems and people. I know how interested the minister is in these service colleges. I wish to ask him whether perhaps there has been too great a decrease in salary levels of the college. I may be misreading the estimates, but in referring to page 331 and looking at the items from director of studies down to instructor, class 1, I have formed the impression that there is approximately $100,000 less being paid in 1961-62 than there was the previous year. I know it was with great difficulty that this faculty was gathered together in Royal Military College in the first instance.

One of the persons very interested in R.M.C.'s growth and strength was W. A. Mackintosh, then principal of Queen's University. I believe he was at one time a member of the Canadian services colleges advisory board. We know that in other educational institutions of that level, generally speaking our teaching salaries are appreciating rather considerably. I think there are very few universities in Canada where in 1961-62 the salary level will be less than that of 1960-61. I am not informed or in a position to be critical, but I ask the minister whether this kind of reduction is justified.

I also wish to ask whether in our great national need for more troops, we are now bringing along enough graduates out of these schools. It is obvious that we have gathered

together an extremely able staff, gentlemen who could very easily be absorbed by other universities in Canada and the United States. As we look over the qualifications of these men we see that almost every lecturer has qualifications from several universities. I should think they would be highly mobile personnel and easily lost.

I wonder whether the minister would be kind enough to indicate what is developing at Royal Military College. I can say, from what we can see from where I live, close to Kingston, that we are extremely proud of this school. R.M.C., we think, has never stood so high, and I am one who has been in a position to form an exceptionally high opinion of R.M.C. graduates of the past.

Mr. Harkness: Mr. Chairman, I wish to thank the hon. member for his remarks about Brigadier Anderson and Colonel Sawyer. Brigadier Anderson was a good friend of mine whom I saw a good deal of during the war and since. Also, I am glad to note his interest in the Royal Military College. As far as the salaries of the professors are concerned, they have gone up, not down. I think that is clearly indicated in the details of services in the blue book at page 331. Hon. members will see that the director is getting $14,500 as against $12,000 last year. Fourteen professors are getting $168,000 as against $136,000—their salaries have gone up considerably. This has been necessary, as the hon. member pointed out, in order to retain the services of university professors of a high calibre since those men are in short supply at the present time and we at the military colleges are, of course, in competition with the universities and colleges throughout the continent. Hon. members will see that there are 23 lecturers provision for whom amounts to $136,000 this year compared with $129,000 last year. There are 14 instructors and they are receiving $73,000 this year compared with $67,000 last year. I think that is typical. The salaries have gone up and, as I say, this is necessary in order to retain the staff.

I am glad to say we have an excellent staff not only at the Royal Military College but also at the College Militaire Royale and at Royal Roads. We have on our staffs some extremely outstanding men in their particular lines. We are fortunate indeed that in many instances these men remain with us, although they have been offered higher salaries in other institutions, because they happen to like the type of work they are doing and, in particular, the type of young men with whom they are dealing, in addition to certain facilities for research which are given to them and which they might not have available in other places. As a result we have been able to retain our staff in spite of the fact that the salaries they receive are not as high as those they have been offered in other places.

Mr. Hellyer: In respect to the program to replace the 20 pounders on Centurion tanks with 105 millimetre guns, I wonder if the minister would tell us what the projected program is. According to the white book of 1960, improvements to the fire power of the Centurion tanks are estimated to cost $6 million for which $482,000 is being provided in 1961-62. Then in 1962, according to the blue book:

> The army major equipment program includes provision for improvements to the fire power of the Centurion tank. The estimated cost of this program is $6 million of which the estimated expenditure in 1961-62 is $587,000.

I should like the minister to tell the committee how many of the tanks overseas have been reconverted to date, and what the projected program is for the balance.

Mr. Harkness: I am not in a position to say how many tanks have been converted up to the present time. This work is being carried on at the discretion of the brigade commanders so that he will not have very many tanks out of action at any one time. However, the whole program will be completed at the end of this year.

Mr. Hellyer: That is an amazing statement. The minister says the whole program is to be completed by the end of this year. How can that be accomplished when we are being asked to fund only about one sixth of the total, including last year's estimate? It will require 12 years to complete the program on the basis of the amount funded here.

Mr. Harkness: The answer is that that includes the ammunition which will be secured in the future.

Mr. Hellyer: The $6 million figure includes the ammunition?

Mr. Harkness: Yes.

Mr. Hellyer: Could the minister tell the committee what proportion of the $6 million is required for the installation of the guns and what proportion is being spent on ammunition? I must say this seems unusual.

Mr. Harkness: I am sorry but we have not got that information here. We shall get it. It will come down shortly and I will give it to the hon. member.

Mr. Pitman: I am sure all of us will be glad to see that the Bobcat light tracked vehicle is being produced in Canada. Could the minister indicate how many have already

been produced and how many foreign governments, if any, have bought them? Could he also tell us what the approximate cost per Bobcat will be, including development costs.

Mr. Harkness: There were four of these vehicles, hand made, one might say, as a means of developing the vehicle and experimenting with it. There are 20 being produced on a production line at the present time to discover whether there are any difficulties in turning these vehicles out in quantity and, if so, to correct those difficulties. As soon as those 20 have been produced a further 480 will be secured.

Mr. Pitman: Have any foreign governments signed contracts to accept the Bobcat? I understand there is a German carrier of the same type—if it is not of the same type perhaps the minister will tell us. But would the cost of producing that vehicle be comparable to the cost of producing ours?

Mr. Harkness: A considerable number of countries have shown some interest in this vehicle but we have received no definite orders as yet. I should like to point out that a number of other personnel carriers, such as the German carrier to which the hon. member referred, are not amphibious vehicles such as this one is. They have no swimming ability, and as a carrier which can cross all types of country and which is, in addition, amphibious, we think this is the best one being developed. As a result we have hopes we shall be able to sell this vehicle to other countries.

Mr. Hellyer: Could the minister tell us how many of the Bobcats are now with the brigades in Europe?

Mr. Harkness: That question indicates the naïveté or the childishness of the hon. member. He has just heard me say that four handmade models have been produced and that 20 more are in production.

Mr. Hellyer: It is not childish. I was just reading the blue book and I find in it this statement:

> A production run of 20 models of the Bobcat light armoured tractor carrier will be commenced in 1961-62.

What I want the minister to tell the committee is where the associate minister got the wild statement he made in this house when he told us that 500 Bobcats were on order.

Mr. Harkness: When I made the announcement in connection with the Bobcat some considerable time ago I said that we were definitely securing 500 of these vehicles. I explained that 20 of them were being produced as rapidly as they could be produced as a production line run and that as soon as they came through successfully the other 480 would immediately be secured.

Mr. Sevigny: On a question of privilege, may I say that if the hon. member would just read *Hansard* he would see that what I said last night was exactly what the Minister of National Defence has just said.

Mr. Pitman: I assume it is too early to know what the production cost of the Bobcat, including development costs, will be. Perhaps I can reserve that question for later on.

There is one question about which I am particularly concerned and it relates to the fact that the army controls the warning system. Last Friday I asked the minister a question with reference to the fact that this had been reported as being inadequate as long ago as last January but nothing had been done about it. Second, it had been stated that the system was aimed for outside audibility but the minister suggested that such a statement had not been made.

I want to say it had been made in front of officials who I am sure are very good witnesses who said that that was the situation.

Last Tuesday two officers arrived from Picton. They came to Peterborough to carry out tests, the tests which were predicted by the Minister of National Defence. I am very happy to see that his department has gone on with this matter with the speed with which it has shown. When those two officers arrived they informed the officials in Peterborough that they were testing for outside audibility.

This afternoon the minister complained that the people on this side of the house had not been reading his speeches. It appears to me that some of the people in his own department have not been reading his speeches because they have been testing for outside audibility. When they were told what the minister had said in the house last Friday they said they had heard nothing about this. They got in touch with Ottawa and were told that no new orders had been issued and therefore they are now testing the sirens once again for outside audibility.

I wish this matter could be cleared up because it is of extreme concern. I am sure the minister realizes this because he had been made contact with in the area that I represent.

Mr. Harkness: I said nothing about testing for inside audibility. What I did say was that the degree to which those sirens could be heard inside buildings depended on the type of construction of the building. For example, I used a bank vault down in the basement

of a building where you would not hear the siren at all. I used this as an extreme example.

The only way in which you can test and get a test which will be valid in Peterborough and in various parts of Peterborough or anywhere else is on outside audibility. Because, if you start testing on this structure, that structure and the other structure, you are going to get a little different result in each one, depending on the type of construction and the particular room in the building in which you carry on the test and, of course, how much the particular building happens to be shielded by other buildings from the site of the siren. The only way in which you get any sort of test which is standard or uniform is on outside audibility.

Mr. Pearson: Can the minister tell the committee what are the Canadian army commitments at the present time to the United Nations or any other form of international service, and can he give us some details in regard to this service? I know figures were given some time ago but I was wondering what the figures are now.

Mr. Harkness: My officials will turn up the exact figures.

Mr. Pearson: While this is being done perhaps I might ask another question related to my previous one. To what extent are those Canadian contingents of United Nations forces or other international services maintained by Canadian air transport?

Mr. Harkness: Well, as far as the location of the force is concerned, first there is the United Nations emergency force in the Suez. It consists of a total establishment of Canadian army units of 69 officers and 789 other ranks, for a total of 858 all ranks. There is a reconnaissance squadron in that, Lord Strathcona's Horse; a signal squadron, a transport company, and an infantry workshop as the main units making up that particular force.

The R.C.A.F. has 14 officers and 74 other ranks with that force, so that the total of all ranks in the force is 941.

In the Congo the army has 41 officers and 230 other ranks; the air force has six officers and two other ranks, making a total of 279.

In India and Pakistan in that truce observer role the army has eight officers. In Indo-China the navy has two officers; the army has 28 officers and 24 other ranks; the R.C.A.F. has two officers, making a total of 56 all ranks.

In the United Nations truce teams in the Middle East there are 17 army officers. In other countries there are one naval officer and seven army officers; three army other ranks; three R.C.A.F. officers; three other ranks; making a total of 17.

I am sorry, I have forgotten what the second question was.

Mr. Pearson: To what extent are these Canadian forces maintained by Canadian transport?

Mr. Harkness: There are five scheduled North Star flights per month from Trenton, Ontario, via Langar, England and Pisa, Italy to El Arish and return.

As far as the Suez forces are concerned, the total number of flights in support of those forces in the year ended September 30, 1960 was 66, or a total of 788,000 odd miles flown.

I do not suppose the hon. member wants the number of passengers and so forth. As far as the Congo is concerned, there are 15 R.C.A.F. personnel on the strength of the United Nations force there. That was as of June 1. There are two scheduled North Star flights per week to the Congo from Langar via Pisa, Italy to Leopoldville and return, and there are two scheduled North Star flights per month from Trenton, Ontario, down to the Congo and return.

Mr. Pearson: Perhaps I may be permitted to pay my own humble tribute to the magnificent work that these men are doing on behalf of peace and for their country. I know we are all very grateful for the service they have rendered and are continuing to render under particularly difficult circumstances in the Congo at the present time.

I noticed from what the minister has said that the signals personnel in the Congo have been reduced somewhat, because in the blue book of May reference is made to the army signal unit comprising 280 all ranks. I think the figures the minister gave were a little less than that. May I ask the minister whether the transfer, if you would like to call it that, of those Canadian signallers to the Congo, when it took place, had any effect on the work of the Canadian army signals in Canada? Has the work of training the signallers been carried on in the normal way notwithstanding the transfer of so many of the signals unit to the Congo.

Mr. Harkness: Well, the training at the signals school has been expanded considerably because of the number of signallers employed in the Congo and in the Suez, in order to increase the supply of signallers.

I should like to thank the Leader of the Opposition for the tribute he has paid to the men whom we have serving in those places in the cause of peace and particularly those in the Congo, who, as he has stated, have had an

extremely difficult time, particularly in certain spots. I know that the whole Canadian people are grateful to them for the job they have done there.

As to the difference in the numbers, originally there was a considerable contingent of Canadian officers and some other ranks on the United Nations headquarters staff in the Congo. That has gradually been cut down as other nations have made contributions to the United Nations headquarters staff and also there has been a redistribution of the signal personnel at various points in the Congo. The Leader of the Opposition will perhaps remember that fighting took place at Matadi, the seaport for Leopoldville, and that our signal detachment was under fire for some time. It was then withdrawn to Leopoldville and it has not been sent back because United Nations troops were not sent back to maintain the position there. As a result of some of these shifts of this kind, the number now is not as great as it was when the booklet was put out.

Mr. Pearson: Do we pay the full expenses of all our contingents in these United Nations forces? I assume that we do and, if we do, do we get credit for that expenditure against the assessments which are levied by the United Nations to cover the expenses of United Nations activities, a credit which we will perhaps never be able to realize in cash?

Mr. Harkness: Theoretically the way the matter is supposed to work so far as costs are concerned is that we pay the normal costs, pay and allowances, of our personnel who are there. The United Nations is supposed to pay the extra costs for accommodation and so forth. We bill them for these extra costs. In the case of the Suez force, it has been on a definite basis and these bills have been paid. As far as the Congo is concerned, the same system is supposed to work but there has never been any final determination of what the United Nations would pay and therefore the matter is still in abeyance.

Mr. Hellyer: Would the minister comment on this statement by the former minister as found on page 462 of the proceedings of the defence estimates committee? I quote:

> You asked what weapons if any are replacing any of the Browning machine guns used by the Canadian army. It is planned to replace the .30 calibre Browning in due course by a machine gun of the 7.62 millimetre NATO standardized calibre. Preliminary studies are being carried out on some new machine guns which might meet the requirements. Consideration is being given to the replacement of the .5 calibre Browning in due course by the new heavy machine gun. As yet, no decision on the type of gun to adopt has been made, but various guns are being considered.

Can the minister indicate if either of these decisions has yet been made?

Mr. Harkness: No, Mr. Chairman, there has been no final decision taken on that particular matter yet.

Mr. Hellyer: Would the minister advise the committee as to how many of the new C-42 wireless sets have been delivered to the brigade group in Europe?

Mr. Harkness: All units of the brigade in Europe are fully equipped now with this new wireless set as are the regular army units in Canada. I think some of them have also been delviered to militia units. If not, I think some will be delivered fairly soon for national survival purposes.

Mr. Hellyer: Would the minister indicate whether he has any plans to equip the Canadian army with light aircraft, more specifically of Otter, Beaver or Caribou class?

Mr. Harkness: No, there are no definite plans. Various proposals along this line have been made and studied. No decision has been made to equip the Canadian army with any aircraft of this type. There is quite a considerable question involved. The particular proposition was, of course, to equip the brigade in Europe, but for a formation of that size it is a matter of considerable doubt whether it is a practical proposition to give it its own little air force, you might say. There is quite a body of opinion that this is not a practical way to solve the problem of the need for air transportability and for air transport. As far as Canada is concerned, of course, air transport requirements can be met by the R.C.A.F.

Mr. Hellyer: I am sure the minister would admit that the contrary opinion is held in some quarters. Would he also indicate whether he plans to obtain any heavy helicopters for the brigade group to be used for moving personnel and equipment?

Mr. Harkness: I have had a considerable number of these plans and propositions put before me and have given them a good deal of study, both with respect to aircraft of the Otter or Beaver type and also heavy helicopters. I think there is a need for a certain number of heavy helicopters and I hope to be able to work out something definite in that regard in the very near future.

Mr. Hellyer: Would the minister advise the committee how many consultant architects and engineers were used in the last fiscal year and what was the total cost?

Mr. Harkness: While that is being looked up, I might reply to a question that was asked about the Hamilton Galt trophy competition. I have the information here for the last three years only. In 1958 the trophy

was won by the second regiment, R.H.C., in 1959 it was won by the first Royal 22nd regiment and in 1960 it was won by the first P.P.C.L.I. regiment. The competition is between all regular infantry battalions and includes the scoring of all personnel of the battalion. A steady improvement in firing skill of the battalions as a whole has been experienced. The director of infantry is still searching for statistics on the actual results.

Mr. Pitman: I thank the minister very much for that information. Could he tell us whether the scores indicated an improvement as a result of the use of the new rifle compared with the Lee-Enfield or whether the improvement resulted from greater accuracy in firing rather than the use of the FN rifle?

Mr. Harkness: We have the percentage scores for these three years and they show an increase from 127 to 132 to 141. They do not show which rifles were being used which I think was the point the hon. member was getting at. I will have to send for that information. The last question was in connection with the number of architects and consultants. The amount of money which was budgeted for consultants fees in 1960-61 was $900,000 and in 1961-62 $500,000 or a decrease of $400,000. I have not got the actual number.

Mr. Hellyer: Is the minister giving the figures for those on the staff of national defence headquarters?

Mr. Harkness: These are consultants' fees.

Mr. Hellyer: Consultants to the department?

Mr. Harkness: Yes.

Mr. Hellyer: In his list of equipment for the brigade group the minister mentioned the S.S. anti-tank missile for training. Would he indicate his intentions with regard to an operational anti-tank missile for the brigade group?

Mr. Harkness: Well, no final decision has been made as to what type of missile of this kind will finally be adopted as our regular equipment. We have been using the French wire-guided weapon, the S.S.-10 for practice purposes and for training. However, we have been evaluating other weapons of the same type and, as I say, no final decision has yet been made as to which one we will eventually adopt.

Mr. Hellyer: If the minister examines the box score he will see the basis for our suggestion that the brigade group is not as adequately equipped as it might be. We admit quite freely that some of these programs are coming along in more or less orderly fashion. We strongly suspect, however, that some of them have been held back for budgetary reasons. This is the reason we charge that the brigade group has been starved for equipment at the same time rather heavy expenditures have been made for other equipment which, in our opinion, is not nearly so essential.

I might give a sort of running box score: No Honest John rocket launchers in Europe, and no decision as to how they will be equipped when they get there; the FN rifle being re-constructed; Centurion tanks are being re-equipped and so far we do not know how many. The ammuniton has not all been ordered, as yet. The Bobcat is not yet ready to go into production, let alone be delivered to the brigade group. The C-42 wireless set is apparently fully installed and in use. There are no light aircraft and the minister is not yet convinced they are a requirement. I would suggest he visit some of the installations of other armies that are equipped with light aircraft to see their capabilities and then, on that basis, perhaps he would be impressed with the advisability of providing some light transport companies for the brigade group. There are no heavy helicopters yet available or on order, although the minister is giving this some consideration. Finally, there is no final decision with respect to an anti-tank missile.

This box score, Mr. Chairman, is the basis for the charge we have made, and we believe the facts substantiate the position we have taken. I wonder if the minister would give the committee a list of the equipment which has been issued to the militia for national survival operations?

Mr. Harkness: My officials will turn up that list, and while that is being done I should like to say that the Centurion tank, of course, is a heavy British post-war tank and an exceptionally good one. The up-gunning of it has been proceeding quite satisfactorily and, as I said will be finished by the end of the year. With 20-pounder guns, it is still a very effective tank.

In so far as some of the other criticisms are concerned and this so-called list the hon. member has read, I would ask him to compare that list with the partial list of just some of the major equipment to which I referred a while ago as being supplied not only to the brigade in Europe but also to the regular army troops in Canada and, in some cases, to the militia. It is very easy to pick out four or five items and say that these are not yet complete. The basic fact is, however, that we have, by and large, completely re-equipped the brigade in Europe and the other army units since the second world war with vehicles, weapons and what-not. This has

been a very considerable undertaking. So far as the anti-tank wire missile is concerned, to which reference was made, there are probably a half a dozen of those which have been produced in various countries. It takes a considerable length of time to evaluate all these. We also hope there will be some standardization so far as the NATO countries are concerned in putting them into their armies. In the meantime, as I say, we are using the French type.

There is a list here of the major items of survival equipment which have been issued to both the Canadian regular army and to the militia units. There are rescue kits on an operational scale for the two types of units, regular and militia. There is radiac equipment for the re-entry forces and fall-out reporting posts. There is a limited quantity of gamma survey meters, and the models of low range survey meters are the CDV-710 contamination meter and the CDV-700 in quantities sufficient to permit training and limited operations; approximately 30 per cent of the requirement of tactical dosimeters and dosimeters chargers; over 50 per cent of the requirement of personal dosimeters and approximately 40 per cent of the requirements of readers for these dosimeters; full requirements for training kits and training devices; communications equipment, including the United Kingdom C-42 wireless set, which is a 15-mile very high frequency set.

The major items of equipment which are on order and of which we hope to get deliveries fairly rapidly and regularly are the additional requirements of radiac equipment of various kinds and these dosimeter chargers for them; remote reading gamma survey meters for fall-out reporting posts; nuclear burst position indicators; communication equipment including telephone cable and public address sets, miscellaneous radio sets; portable heaters; decontamination apparatus; mobile laundry equipment; mobile bath equipment; gasoline driven saws; centrifugal pumps; torch cutting equipment; water purification equipment; various generating and lighting sets; some winter footwear; food cooking equipment; various items of crowd control equipment.

Planned for procurement are additional radiac equipment above what is already ordered; decontamination vacuum cleaners, collapsible tanks for water storage and additional lighting equipment. As I indicated last week, we have taken a considerable number of measures to speed up the securing of a considerable quantity of equipment needed for national survival purposes. We are securing all of this just as rapidly as it can be produced for us.

Mr. Hellyer: I am very pleased to learn of this speed-up. I understand, indirectly, that to a large extent it results from the attention drawn to the need for it last year when the estimates were before the committee. At the same time, I know the minister would not wish to take credit for all the re-equipment which has been given the brigade group over the years, most of which was ordered away back and then subsequently delivered to the brigade group long before the minister had any responsibility for the provision of equipment.

I wonder if the minister would give the number of resignations from the militia for the years 1959, 1960 and 1961 respectively and perhaps the rate of enlistments for the same periods?

Mr. Harkness: Well, I would have to get the number of withdrawals from the militia. I think perhaps we could get the information best by giving the strengths at various times. The strengths going back to, we will say, March 31, 1958—this is the total strength, officers and other ranks—41,000. I will leave off the odd hundreds. December 31, 1958, 41,400.

March, 1959, 40,900; December, 1959, 40,-700; March, 1960, 40,000; October 31, 41,000; December 31, 42,600; March 31, 1961, 43,200; June 30, 1961, 44,000. It will therefore be seen that during that period there has been a gradual increase of upwards of 4,000 in the numbers. We will try to get the number of the people who enlisted and the number who withdrew for the past year. I think that was what was asked for.

Mr. Hellyer: I should like to have the rate of enlistment or the turnover in that period if you have it handy.

Mr. Harkness: No. We have not it at hand but we will get it. It may take some time to get it.

Mr. Hellyer: I wonder whether the minister would bring us up to date in relation to Maple Leaf services being supplied to the armed personnel overseas? Has he received any complaints recently, particularly with respect to the range of goods being carried and the fact that allegedly there is not a sufficient range of Canadian products?

Mr. Harkness: There are, of course, complaints. There are always complaints over the operations of anything along these lines. The complaints are chiefly of two kinds. One is on the part of troops who have newly gone over to Germany. There are complaints that there is not the same variety of goods as that to which they have been accustomed at home. I think this situation can readily be understood. It is just not possible to carry

the great variety of goods, such as canned goods and so on, of all kinds which you find in a supermarket here in Canada.

The other type of complaint that I have received is with regard to the prices in the Maple Leaf services. This has been based chiefly on a belief—which is some cases is correct and in some cases is quite wrong—that the United States PX's are selling the same goods more cheaply. If you examine into this matter you find that some goods are certainly sold more cheaply in United States PX's. However, on the other hand certain goods are sold more cheaply in the Canadian Maple Leaf stores. Of course you never hear any complaint about that matter. It is taken for granted. But if there is found an item the price of which is cheaper in the United States PX's you get the complaint that it should be sold at that price in the Canadian Maple Leaf services. Of course, one of the reasons that there is a difference in prices is that the United States PX's are securing goods in very much greater quantities than we are and on a direct supply line, and thus their costs of acquisition and their transportation costs in the case of many items are less than ours. In the case of certain other items, as a matter of fact, as I say we can produce at a better price. This is the general situation with regard to complaints with respect to Maple Leaf services. However, I have never received very serious complaints in this regard.

Mr. Herridge: I wish to read a rather incredible letter addressed to the Hon. Lester B. Pearson, House of Commons, Ottawa, Ontario or a copy of it. It reads as follows:

Dear Sir:

I am a retired Canadian army officer and veteran of world war II. I take the liberty of addressing this letter to you in order to place at your disposal certain facts gained from personal experience concerning Canadian complicity in the recent military action against Cuba organized by the government of the United States. It is my present conviction that the matter must be thoroughly exposed in order that proper measures be taken to prevent our further entanglement in the disastrous consequences of American policy toward Cuba.

Six months ago I was hired by the C.I.A. as an instructor and detailed to a camp where anti-Castro units were trained in landing operations. Through my close association with C.I.A. officials and participation in the camp activities, I was in a position to obtain some knowledge of the extent of Canadian involvement, as the following list of particulars will indicate:

1. From information secured through C.I.A. channels, it is clear to me that Messrs. Diefenbaker and Harkness had full knowledge of, and indeed encouraged, the recruitment of Canadian citizens on Canadian soil by the C.I.A. for service in units being prepared for the invasion of Cuba. The same evidence indicates that R.C.M.P. officials co-operated with the C.I.A. in this activity.

2. My estimate is that from 200 to 300 Canadians were recruited. In the main they were unemployed persons and ex-servicemen. Practically all of them joined up because of the high rate of pay.

3. In addition, several regular army officers took part in the training and actual landing operations in Cuba. Presumably their participation was approved by their superiors.

Mr. Speakman: I rise on a point of order, Mr. Chairman. Will the hon. member who is reading this document kindly identify its source?

Mr. Herridge: I will give it later.

Mr. Speakman: I should like him to identify it now, Mr. Chairman.

Mr. Herridge: The initials of the gentleman are "D. J. S." I wish to finish reading it.

Mr. Harkness: What is his name?

Mr. Herridge: It is just initialled.

Mr. Harkness: It is an anonymous letter.

Mr. Speakman: If it is an anonymous letter, it is out of order to read it.

Mr. Bell (Carleton): Is the hon. member adopting it?

Mr. Herridge: No. Some rather unusual statements are given here. He is willing to come forward. I will carry on and paraphrase it.

An hon. Member: Name him.

Mr. Herridge: He goes on to say this—

Mr. Speakman: Mr. Chairman, will you kindly rule on that point of order.

The Acting Chairman (Mr. McGee): I was wondering whether the hon. member who was reading the letter was giving me his own abbreviated version of the person who signed the letter or is the letter actually signed by initials as indicated?

Mr. Herridge: No. It is initialed but not signed. I can paraphrase the contents of it.

The Acting Chairman (Mr. McGee): Just a minute, please.

Mr. Pearson: While you are ruling on this important point, Mr. Chairman, I should like to make it quite clear that I did not refer the copy of this letter to the hon. gentleman.

The Acting Chairman (Mr. McGee): The ruling I had in mind is to be found in Beauchesne's fourth edition, paragraph 158, subsection 3, page 134, which states:

(3) An unsigned letter should not be read in the house. On the 16th May 1928, a member stated during debate that a letter which he had been quoting was not signed. The Speaker said: "Such a letter should not be read into *Hansard*; all letters when read must be signed and they become part of the documents of the house".

I think the point is well taken by the hon. member for Wetaskiwin, in view of the apparent length of the letter and also in view of the fact that it is for all practical purposes an anonymous letter. I would suggest that a free paraphrasing of it would be more in order.

Mr. Herridge: I bow to your ruling, Mr. Chairman, and I shall paraphrase it. I raise the matter because he sent this letter to the Leader of the Opposition and to five members of parliament. He goes on to say this.

Mr. Pallett: Does the hon. member take these remarks as his own as well as paraphrasing the letter? Is he taking responsibility for them?

Mr. Herridge: I am not obliged to take responsibility for paraphrasing information.

Mr. Pallett: Oh, yes, you are obliged to take responsibility for an anonymous letter.

Mr. Herridge: I am not reading the letter. I want the minister to answer this.

Mr. Grafftey: Disregard the rules.

Mr. Herridge: He goes on to indicate that the invasion collapsed and he mentions money.

Mr. Pallett: I rise on a point of order, Mr. Chairman. The point I raise is that the hon. member is purporting to read an anonymous letter and he says, "He says". I suggest that the hon. member either accept these remarks as his own, a procedure which is in accordance with the rules of the house, or accept responsibility for them.

Mr. Herridge: Mr. Chairman, I can overcome that quite easily according to the rules by saying I have been informed. That is quite correct.

An hon. Member: No, you cannot.

Mr. Grafftey: Oh, no.

The Acting Chairman (Mr. McGee): On the point of order that has been raised, I would appreciate it very much if the hon. member for Peel would direct the attention of the Chair specifically to the rule which covers this particular point. In my humble opinion, if this rule does exist, it has been honoured in the breach.

Mr. Churchill: Oh, no.

The Acting Chairman (Mr. McGee): I say that from my experience, and in my opinion. I would appreciate some guidance as to the specific precedents in this matter. The point I have in mind has occurred frequently in debates and discussions in the house when in quite recent times hon. members on both sides of a particular argument have quoted from the same editorial. Clearly hon. members on both sides of the argument cannot be assuming responsibility for the same editorial which in part seems to support both sides of the argument.

Mr. Bell (Carleton): Surely that would be out of order, Mr. Chairman, because it is specifically governed by citation 157, subcitation 5. That citation is perhaps not relevant to our particular discussion, but the reading of editorials in support of argument has been frequently ruled to be out of order.

Mr. Pallett: I would refer you, Mr. Chairman, to citation 159, subparagraph 3, which by an analogy covers this situation. The citation reads:

> It has been admitted that a document which has been cited ought to be laid upon the table of the house, if it can be done without injury to the public interest. The same rule, however, cannot be held to apply to private letters or memoranda. On the 18th May, 1865, the attorney general, on being asked by Mr. Ferrard if he would lay upon the table a written statement and a letter to which he had referred on a previous day, in answering a question relative to the Leeds bankruptcy court, replied that he had made a statement to the house upon his own responsibility, and that the documents he had referred to being private, he could not lay them upon the table.

Mr. Chevrier: There is another sentence which you did not read.

The Acting Chairman (Mr. McGee): The citation goes on to say:

> —the documents he had referred to being private, he could not lay them upon the table. Lord Robert Cecil contended that the papers, having been cited, should be produced; but the Speaker declared that this rule applied to public documents only.

I think, with the lack of some immediate direction and instruction from precedents, we should proceed on a common sense basis. I think perhaps we are all of a mind in this particular instance. Without attempting to establish a precedent and—

Mr. Pallett: Mr. Chairman, the hon. member does not accept responsibility for the statements he makes. This is fundamental to the practice of the House of Commons. It is such a fundamental rule that it is basic to the whole proceedings.

Mr. Herridge: Mr. Chairman, possibly through a lapse of memory or oversight I did transgress the rules of the house in this instance. But I will not transgress the rules of the house further. All hon. members know that I try to keep them as much as possible.

Mr. Grafftey: Do you, or do you not, take responsibility?

Mr. Herridge: Having had certain information which now seems very unusual, I would ask the minister two or three questions which will be quite in order.

First, does the minister know of any Canadians being recruited to serve in forces that were used in the invasion of Cuba?

Second, does the minister know of any Canadian army personnel being directly or indirectly involved in such an arrangement?

Third, in view of certain persons making these most unusual statements, and a certain person being willing to come forward to give information in detail, if requested, will the minister give any person who is willing to come forward and present evidence to the defence committee an opportunity to substantiate any statements they have made in correspondence, conversation or otherwise?

Mr. Harkness: I shall be very glad to have anybody come forward with anything that he can substantiate in regard to any matter along this line. As far as any Canadian army personnel having had any part directly or indirectly in the Cuban affair is concerned, I know definitely that none of them had. In other words, these various statements in this anonymous letter are just completely false. There is the statement that the Prime Minister and I had full knowledge of the matter. I know that I had absolutely no knowledge of the matter in any way, shape or form. As I say, I also know that the Canadian army had no part of any kind in training people or anything else along that line.

I suspect this is the same man, as a matter of fact, who made an appearance on a television show here in Ottawa some months ago and claimed that he had been in Cuba and that there were a lot of other Canadian soldiers in Cuba. He claimed they were using Canadian army rifles, and things of this sort. I answered a question or two in the house on it. He said they had been using .303 rifles which were stolen from a certain camp. I have forgotten the name of the camp now, but on investigation it happened to be a camp where there never had been any .303 rifles because it had come into operation after the FN rifle had been issued. This showed a palpable falsehood in these claims.

As a matter of fact, the man claimed that he served in certain Canadian army units, and so forth. We looked the matter up and found he had enlisted, under his brother's name as I recall it, and had been discharged because he was found to be mentally unstable.

He then threatened me, and the R.C.M.P. were actually looking after him for a while. He was going to do away with me because of the answers I had given. But subsequently somehow or other, I think *Liberty* magazine printed an article for him and showed pictures of him, presumably in Cuba. It turned out on investigation that these pictures had actually been taken by a Toronto photographer—his name was right on the back of the pictures—

Mr. Martin (Essex East): Did he have a beard?

Mr. Harkness: —and they were taken in the botanical gardens at Toronto. I suspect that the fellow who wrote this letter is the same man.

Mr. Herridge: In order to clear up the matter—

An hon. Member: Tear the letter up.

Mr. Herridge: —would the minister say whether he invites this person to come forward and sustantiate his claims?

Mr. Harkness: I invite him to come forward and substantiate his claims, but if it is the same man as I suspect it is, he is just looking for more notoriety and I am not going to give it to him.

The Acting Chairman (Mr. McGee): Shall vote 337 carry?

Mr. Pearson: Mr. Chairman, would the minister tell the committee to what extent the standardization of arms and ground equipment has proceeded in NATO? I know that there has been a standardization of the FN rifle. I am not sure how far that has been carried out. Has there been some backsliding from that example of standardization? What else has been done to standardize arms and equipment in the NATO forces?

Mr. Harkness: This is one of the areas in which there has been disappointingly slow progress. The amount of standardization outside of the FN rifle has been disappointingly little. It arises to a large extent, I think, because each country, for purposes of maintaining employment in its own industries, and so on, always attempts to manufacture everything it possibly can in that particular country. I believe this is the main reason why it is so difficult to get standardization of these different pieces of equipment.

Mr. Chairman, a question was asked about the up-gunning of the Centurions. The hon. member for Trinity asked for the division of the $6 million which was put into this program. Six hundred thousand dollars of that amount is for the modifications to the guns, and $5,400,000 is for ammunition.

Mr. Hellyer: I thank the minister for that information. I wonder if the hon. gentleman has the information to enable him to answer this inquiry. I shall read it for the benefit of the minister. Without going into voluminous detail, suffice it to state that under order in council, PC 1959-1/1297 northern allowance

at $87.50 per month was converted to isolation allowance and reduced to the sum of $70 per month with effect from October 1, 1959, this new allowance to be reduced by 20 per cent each year for a period of five years, to the end that at the conclusion of this period no special allowance would be paid to personnel posted to Dawson Creek, British Columbia. However, a discrepancy arises from the fact that even at the reduced rates isolation allowance is awarded only to personnel who were posted to Dawson Creek prior to the order in council coming into effect. Personnel posted subsequent to that date receive no consideration. Therefore, a number of personnel posted prior to the order in council being passed receive $52.50 per month even after the 20 per cent reduction which became effective on October 1, 1960, in addition to normal pay and allowances, while those posted subsequent to the order in council receive only normal pay and allowances. Yet all live under the same circumstances and conditions.

I wonder if the minister would indicate, if these facts are correct, whether or not he thinks this situation is equitable and whether he proposes alleviating the discrepancy in the treatment of personnel at Dawson Creek.

Mr. Harkness: I am told there was a complete study made of these isolation allowances and northern allowances. In some cases they were increased as a result of this study, while in others they were decreased. In the cases where they were decreased the decrease was to be effected over a five year period. I have here a list of the areas in which allowances were decreased and of those in which they were not. I presume that if increases were paid with respect to the northwest highway system it was because a considerable number of other places such as Dawson Creek certainly cannot be looked upon any longer as isolated posts.

Mr. Hellyer: Does the minister not feel that even if the allowance is reduced over a five year period the amount paid should apply to all personnel at a particular station rather than be applied to some and not to others?

Mr. Harkness: I must say frankly that I am not familiar with the situation, and therefore I am not in a position to answer that question.

Mr. Hellyer: Would the minister take it into consideration and let me know the results of his inquiries either privately or otherwise?

Mr. Harkness: Yes, I shall be glad to have this looked into and if I cannot give an answer before the estimates are completed I shall write to the hon. member.

Mr. Carter: I should like to direct to the minister one or two questions about the public relations staff. Can the minister say how many such personnel the army has engaged in this work and how that number compares proportionately with the numbers employed in the other services? This is one item of expenditure in connection with which I sometimes wonder whether the taxpayer is getting good value for his dollar. I have not had much opportunity to observe the work of the P.R.O.'s. I did have one opportunity to do so in July and I cannot say I was much impressed by what I saw on that occasion. However, I should not like to draw any conclusion from a single observation.

I should like also to find out on what basis these P.R.O. people are allocated to units and formations and whether any thought has been given to unifying the work of this department in the three services.

Mr. Chambers: The public relations directorates of the services and defence research board have three main functions:

1. To facilitate a flow of unclassified information about the armed services and defence research board to the public.

2. To provide counsel to their respective services, to ensure that each service is, in fact, serving the public interest to the best of its abilities, in closest possible harmony with other national interests, and that its plans, policies, programs and activities are presented or performed in such a way as to reflect the high standards of the service concerned, and its dedication to public interest.

3. To advise upon and implement planned community relations programs, particularly at overseas establishments.

The hon. member for Burin-Burgeo will realize that wherever there is a service establishment, particularly overseas but here in Canada also, the relationship between the civilian population and the service population can sometimes cause difficulties. One of the ways in which this situation can be helped is through good public relations. I was asked to give some figures, and I can tell the committee that at national defence headquarters there are two civilian public relations officers. The navy has a total of 14 officers and ten civilians. The army has 28 officers and 34 other ranks, besides 30 civilians, for a grand total of 92. The R.C.A.F. has a total of 29 officers, 35 other ranks and nine civilians for a total of 73. The defence research board has two civilians engaged in this work.

Mr. Carter: Could we have any indication of the total cost? Is that figure available?

Mr. Chambers: It is not broken down—

Mr. Carter: Could we not have some indication of the cost? I understand the navy has 14 officers, the army 28 officers and the

air force 27, plus other ranks. What would the top rank be in each of those establishments? What would the average rank be?

Mr. Chambers: The senior officer in each service is a lieutenant colonel or equivalent. The bulk of the working officer personnel are army captains, or equivalent.

Item agreed to.

238. Construction or acquisition of buildings, works, land and major equipment, $60,556,000.

Miss LaMarsh: I should like to take this opportunity to raise a question which is of interest to my own constituency. There was an artillery armoury there called the General Brock armoury which was purchased by the department a few years ago. An anti-aircraft battery was stationed there. In June of this year the armoury was sold on tender having been declared surplus and the artillery battery was required to move into the Victoria Avenue armoury which has been the home of a company of the Lincoln regiment. Could the minister say why the General Brock armoury was declared surplus and sold? It was about three times the physical size of the armoury which remains and it was a more modern building although not so well designed as an armoury.

Consequently, we think it will now be necessary to rent space to train individuals of the militia in the Niagara area for civil defence.

Mr. Chambers: Mr. Chairman, we will have to send for this information for the hon. member.

Mr. Carter: The minister might now answer the question I asked earlier.

Mr. Harkness: Well, I am informed that the question of a Newfoundland armoury is awaiting the decision on the ownership of the Pepperrell air base, and that some accommodation in it might be used as an armoury.

Mr. Mitchell: I am going to ask my annual question of the minister concerning the proposed Sudbury armoury. The hon. lady from Niagara Falls gave me the idea when she was talking about the armouries. Has any progress been made with the construction of this building? I am advised that army construction experts have been in Sudbury recently looking over the situation and have made a report to the department. A new arrangement has been suggested concerning the construction of this building. I am advised that local money can be obtained for its erection on a lease back contract. It is suggested, of course, that the department oversee the construction of this building according to army regulations, and rent it for a period of 20 to 25 years, with the purchase of same to be arranged at that time, if they so wish.

Is there any money in this year's estimates earmarked for this purpose? Of course, you realize, that the property for this armoury has already been donated to the crown and has been lying idle there. The deed is still held by the Department of National Defence. I am asking this question to see whether the department has taken any serious thought of the construction of this building under other arrangements.

Mr. Harkness: This is one of the armoury projects with which it happens I am thoroughly familiar. I went into it in considerable detail as the hon. member knows, with the delegation from Sudbury and I am doing my best to get the things approved and get construction started as soon as possible. It is at the head of our priority list for armouries in Ontario. I have not yet managed to get it approved by treasury board, but I hope to be able to do that in the very near future.

Mr. Mitchell: Thank you.

Mr. Badanai: I should like to direct a question to the minister with regard to the armoury situation in Fort William. It has being brought to his attention on several occasions. I wonder whether the city of Fort William is on a basis similar to that mentioned by the hon. member for Sudbury. The Department of National Defence is well aware of the need for an armoury at Fort William. Will the minister give some assurance that consideration will be given to this matter in the near future?

Mr. Harkness: Mr. Chairman, I dealt with this question, I think it was the day before yesterday, as a result of the speech which the hon. member made on item No. 1. I really have nothing to add to that. I said at that time we have to make arrangements to rent a hall in Fort William to accommodate a company of the Lake Superior Scottish and this will go some small way at least to meet the need there. I regret to inform the hon. member that, unlike the situation in Sudbury, the actual building of an armoury at Fort William is not close to the top of the priority list and therefore I can give no indication as to when the construction might be started on an armoury in Fort William.

Mr. McFarlane: I am in a position almost similar to that of the two previous speakers, but my proposal to the minister is a little different. At the present time we have a militia unit in the city of Kimberley in British Columbia and we have endeavoured to carry on over a period of years, handling

part of the program in one building, part in another building and part in schools, keeping the equipment wherever cover is available. I have worked on this for some time. The last letter I had from the minister stated that the information had been requested from departmental officials and would be available at an early date. I sincerely hope it will not be very long before I will be able to obtain that material.

A brief has been submitted to the department concerning the necessity for the armouries at Kimberley. The submission is as follows:

That Kimberley Armouries limited erect a building acceptable to the Department of National Defence standards for a militia armoury.

That this building be rented to the Department of National Defence for a period of 20 years, at rates sufficient to write off the cost of construction and such other charges as may be deemed necessary.

That at the end of the contract period, the building be sold to the crown for a nominal sum agreed in the contract.

That the building be erected on the 2.25 acres of crown land held in the name of the Department of National Defence in the city of Kimberley.

Financial backing for Kimberley Armouries limited has been obtained from the Royal Trust Company, Vancouver, B.C., through the bank of Montreal, Kimberley, B.C.

The land was given to the Department of National Defence by the city of Kimberley so that an armouries could be built. It constituted the last suitable site in the community when the gift was made. The city had itself received the land as a contribution from the Consolidated Mining and Smelting Company of Canada limited as park land, with a clause defining an armouries as an acceptable improvement.

There are several other items in this brief. They have enclosed the signatures of very responsible men in the community and also of members of the opposition party. In addition to that, they have given us a brief summary of the militia activities in Kimberley over the past few years. It is now known as the 17th field squadron R.C.E. at Kimberley, at Creston and at Cranbrook. During the years they have been in operation they have trained 33 officers and 525 men. In addition they have 65 cadets in the city of Cranbrook and 35 in the Creston area.

Also attached to this brief, Mr. Chairman, is the engineering project of the building as it will look when completed, in addition to the site plan which has been laid out on the property concerned; and also tentative estimates of the amount required for the construction of this building, with an approximate cost of $150,000.

In view of the fact that we feel this project is an essential in the area, I should like to give the committee a slight resumé of the geographical location of Kimberley. It is situated very close to my own town, within 20 miles to be exact, in the heart of the Rocky mountains. It is my understanding that in case of an emergency the militia would be called upon to undertake a great deal of the work necessary at such a time. I took up this matter with the department and they came back with the reply that in the case of an emergency help would be forthcoming from Calgary and Kamloops where units are already established.

One look at the map, Mr. Chairman, would bring to your attention the problem that would exist in moving equipment and personnel from either of the two points mentioned. The Rocky mountains and the lakes and rivers in the area forestall any quick movement of troops and equipment. I would appreciate it if this matter could be given consideration at an early date. The Kimberley group has gone to a lot of trouble in preparing plans and data, and in the event of the citizens signing a letter of intent that they are prepared to proceed as a private group should approval be obtained within a reasonable time construction of the Kimberley armouries could also be a winter works project. We are very anxious to proceed with construction and if a prompt reply could be given by the minister or the department within the next few days or weeks we could possibly arrange for some construction this winter.

Mr. Harkness: I happen to know this unit at Kimberley. It is a very excellent engineering unit and they are to be highly commended on the work they have done. I also have an additional interest in the unit. It was formerly an artillery unit and was part of the regiment that I commanded as a militia commander in the years immediately after the war. It was later converted to an engineering unit. I know what the need is for an armoury there. It has been on a priority basis for some considerable length of time. At the present time it is in the same situation in western command as Sudbury is in central command. It is at the top of the priority list so far as the construction of armouries in western command is concerned and I trust we can get some action on it fairly soon.

Mr. Weichel: On the subject of armouries, Mr. Chairman, about a year and a half ago a brief was presented by some gentlemen in Kitchener with regard to the need for a new armoury. We have five or six units in Kitchener and Waterloo which are scattered all over the place and I am quite sure that the rent paid on the buildings now occupied would pay for a new building in about ten years time. Accommodation could also be

provided for the navy and civil defence personnel in such a building. I would appreciate it if the minister would look at that brief again.

Mr. Harkness: This is another case where we realize that an armoury is very badly needed. As a matter of fact, it is fourth on the priority list of central command. I can assure the hon. member that we have it very much in mind and it is really a matter of when we can get sufficient funds to construct it, as well as a number of other armouries.

Mr. Hellyer: Can the minister tell us the ultimate decision with respect to the University avenue armouries in Toronto?

Mr. Harkness: The city of Toronto and the metropolitan district have both indicated that they wish to have this site for a new law courts building and that they wish to proceed with the agreement entered into some years ago under which we are to turn over that site to them. We have built one other armoury, the Dennison armoury, which I believe will be officially opened next month or perhaps even this month. It has been taken over and will be officially opened very soon. There is a need for two more armouries of the same size.

The metropolitan district was supposed to assist us in securing land sites to build the two additional armouries but unfortunately nothing has been produced yet. One site was put forward but the expropriation which the metropolitan district sought to put through was cancelled when the matter was taken to the courts and therefore we lost that site. We do not have definite sites for these other two armouries. I hope we will be able to get them very shortly so that construction can be started.

Mr. Hellyer: Can the minister say when the department will have to give up the University avenue site and will the two other armouries be ready by that time or will there be a hiatus?

Mr. Harkness: The original agreement was that we would give it up by December 31 of this year, but in view of the fact that sites have not been provided and therefore it has been impossible to proceed with construction I have informed the city officials that we cannot give up the armouries at this time and will not be able to do so until we have been able to provide alternative accommodation.

Mr. Hellyer: Is it true that that very famous regiment, the 48th Highlanders, does not wish to carry on if it has to leave the University avenue armouries and is that situation being resolved?

[Mr. Weichel.]

Mr. Harkness: I do not think there is any question of that. Some people may have made statements along that line. I do not know. If so, they have not come to my attention. I have had no indication whatever that the 48th Highlanders will not continue and I would be very surprised, in fact, if they are not anxious to continue.

Mr. Hellyer: Can the minister say whether any decision has been taken with regard to a new armouries for the city of Vancouver?

Mr. Harkness: The Vancouver armouries would have been started before now except for some difficulties there over the site and the objection on the part of some people to having it built on a piece of crown owned property where we originally intended to put it. I think that the matter of the site is being straightened out now. As far as western command is concerned, the Vancouver armouries is the second one on the list and comes immediately after Kimberley as a priority project.

Mr. Garland: Could the minister say who is responsible for the establishment of these priorities?

Mr. Harkness: After carefully considering the situation in the light of the needs of the militia and the accommodation at present being used, each command recommends a list of armouries in the area which they think should be constructed. This list is reviewed at army headquarters and then reviewed again by myself. The list is established on that basis.

Mr. Garland: With respect to North Bay, in view of the developments that are taking place from a military standpoint, can the minister say whether he sees any reason to believe that the priority rating for the project there might be raised? I know it is well down the list.

Mr. Harkness: North Bay is not nearly as much a priority project as some of the others that have been mentioned. The list is changed from time to time depending on changes in conditions. At the present time North Bay is in seventh priority position on the central command list which would mean that there is not much hope of getting it built in the immediate future.

Mr. Garland: Perhaps the minister missed my question. In view of the fact that it has that rating and in view of the developments in the military field that are taking place across the country, I wonder whether there is any reason to believe that North Bay's priority might be raised in the reasonably near future.

Mr. Harkness: As I said, the matter of armoury construction and the priority list are under review continuously and there are changes made from time to time depending on changed situations. I do not know enough about the situation with respect to this armoury compared with others to be able to give a definitive answer to the hon. member.

Mr. Morris: I wonder if the minister would inform me whether or not the department is holding land on Rainnie drive in Halifax for army building use?

Mr. Chambers: Mr. Chairman, the department does hold this land for possible future army development.

Item agreed to.

Royal Canadian Air Force—

239. Operation and maintenance, $536,666,000.

Mr. Pascoe: I should like to ask some questions on item 239 which concerns R.C.A.F. operations. I was very interested in the announcement by the minister on September 11 in connection with the replacement by 1963 of the Harvard trainer with the CL-41 jet trainer as the basic R.C.A.F. training aircraft. There is a very fine R.C.A.F. station in my home city of Moose Jaw. The minister's announcement has aroused great interest there. I was present during graduation ceremonies for the last class of student pilots, and I saw how eagerly they looked forward to their jet training after flying Harvards, although they were also very proud of the Harvards. By 1963, student pilots will be training on these jet trainers.

Could the minister tell the committee what changes may have to be made at R.C.A.F. stations to accommodate the jet trainer, particularly in so far as personnel, maintenance and repair hangars and runways. Will the runways which have accommodated the Harvards have to be lengthened or strengthened to accommodate the CL-41? I am not sure of the exact length of the runways at the Moose Jaw R.C.A.F. station, but I know that jets do not normally land there. If it is necessary to lengthen the runways, and I imagine it will be, could some of this work be done this fall and perhaps during the winter to provide winter employment?

Mr. Harkness: There will be no changes required in the hangars. There will be a very small increase in maintenance personnel. There are only two of the stations in which there needs to be an increase in the length of the runways, one is at Penhold, Alberta and the other is at Moose Jaw. The runway at Moose Jaw is only 3,700 feet long and it will need to be extended to 6,000 feet. The work will not be undertaken this year because of the date of delivery of the new trainer, which will not be until 1963. It is not a priority matter to lengthen the runways at the present time or in the next few months.

Mr. McMillan: I listened to the minister yesterday when he said that our troops were splendid and their equipment was excellent. I agree with the minister 100 per cent in his reference to our troops, but I have grave doubts about his description of their equipment. After listening to the debate in the committee yesterday and today, I have grave doubts about the equipment provided for the three services. At this particular time, I want to refer to the equipment of the air service.

Now, the Voodoo airplane which is being purchased is a second hand plane. It is being purchased from the United States. The CF-104 is being made in Montreal. These two airplanes will not be effective operationally with the R.C.A.F. for some time. Certainly, there are none of these planes in Europe. I do not see how the minister can say that the equipment of the air wings in Europe is excellent, particularly when they are equipped with airplanes that cannot intercept some of the commercial jet aircraft. They certainly would not be fast enough to intercept enemy fighters or fast enemy bombers.

I have read several times in the press, and the truth is, that since the cancellation of the Avro Arrow program this government has had no definite defence policy at all. It is two and a half years since the Avro Arrow program was cancelled, at which time five airplanes were nearing completion. Only now are we starting to replace them, and with slower aircraft. It is true that the government proceeded with the construction of two Bomarc bases, one in northern Ontario and the other north of Montreal, but these will not be in operation for some months yet. After two and a half years, and when we have a crisis on our hands, we find we have no adequate air defence in Canada. We have outmoded fighter planes in Europe and we have two Bomarc bases that are non-operational.

I do not pretend to know anything about the Bomarc B, but I have read articles in the press, as I know other members have, emanating from the United States and dealing with tests that were made. These tests are certainly not very reassuring. At the time the decision was taken by this government to go ahead with the Bomarc B missile bases, I read one article concerning tests made in the United States. These tests would lead one to believe the Bomarc interceptor missile was of very dubious value. This article stated at that time that in 12 tests the missile

got off the ground on only four occasions and only hit a slow moving target on one of the four occasions. There was a later article that appeared in the Toronto *Globe and Mail* on December 29, last and I have it here, concerning tests made of the Bomarc B missile at the Elgin air base in Florida. The article stated that the series of tests at that time were a success.

The article went on to say that eight of the tests were complete failures, and that 14 of the next 15 tests were successful. I suppose that means that in the next 15 tests the missile got off the ground 14 times, so that 14 successful tests out of 23 could not be described as great success. During these tests there was a near miss on a jet drone travelling at subsonic speed over the gulf of Mexico. The article only describes this one test, and I do not know whether or not more tests were made on a target. If the missile only made one near hit in the whole 23 tests, that is not very good.

I hope the minister can give us some information as to subsequent tests, and I hope the results were better than that. I have read some derogatory remarks from defence people in the United States concerning the Bomarc B. In view of this, I think the minister should allay some of our fears about the usefulness of the Bomarc B. As I said before, I hope he will give us some results of later tests, as these articles have appeared in the press. As I said earlier, I do not know anything about the Bomarc B. I think the minister owes it to the members of this committee and to the people of Canada generally to give some information as to the results of the latest tests made on the Bomarc B missile.

It is generally agreed that the Bomarc B missile is useless without an atomic warhead. The Prime Minister himself said this in effect two and a half years ago. He at least said that it could not reach its full potential use without an atomic warhead. I have the quotation here but I do not propose to give the quotation from page 1223 of *Hansard*. I heard the hon. member for Quebec East and the Leader of the Opposition quote from that speech today.

The Bomarc B will have atomic capability but the government will not announce whether or not an atomic warhead will be used. To me it looks as though United States personnel will be stationed at our two Bomarc bases and will have control of these Bomarc warheads and that we shall be able to use them only when they give us permission to do so.

After reading what the Prime Minister said over two and a half years ago about the Bomarc B and about its reaching its maximum potential only when it is equipped with an atomic warhead, I would conclude that the decision was made by the government at that time that when the Bomarc B missiles are completed they would be equipped with atomic warheads or that at least they would be available for use. As I said before, it is over two and a half years since the Prime Minister said that the government was examining various questions with the government of the United States in connection with the acquisition and storage of Bomarc B missiles. It has taken a long time to get an answer. One can only conclude that the examination is still in progress. Even though we assume that the Bomarc B is equipped with atomic warheads, that it can get off the ground and that it can hit the target more than once in 23 times, as was reported in earlier tests, the Bomarc B missile base is still itself a target. That fact has been brought out here today by the hon. member for Trinity and the Leader of the Opposition. It is a target for the intercontinental missile. It is also a target for an air to ground missile from a bomber. If these bases are put out of commission, these bombers can just roam at will as far as the Bomarc B missiles are concerned and certainly as far as our slower aircraft are concerned at the present time.

Yesterday the minister said that Russia had comparatively few intercontinental missiles. He said that the chief means of the delivery of atomic bombs by Russia was by bombers and that we need something to stop the bombers. This is a far cry from the words of the Prime Minister when he cancelled the Avro Arrow contract two and a half years ago. I also have here the words of the Prime Minister but I do not propose to quote them now. The reason given by the Prime Minister at that time was not that the Avro Arrow was not a good machine but rather that new projects were overtaking the aeroplane. Indeed, the main reason for cancelling that contract was that we would not need interceptor planes as they would be of no use against intercontinental missiles. The minister now tells us that we need interceptor planes almost more than we need anything else.

The minister says that the Liberals have no defence policy. After all, the Liberals were developing the fastest interceptor plane in the world. By now the R.C.A.F. would have been equipped with fast interceptor planes. The government scuttled the Arrow program, yet the minister says that our party has no defence policy. After killing the ace in our defence, they say that we have nothing left. I say that they have nothing left. They certainly have nothing left at this time with which to defend us here at home. As I said

before, they have no interceptor planes that can take their part against enemy planes in Europe.

One or two of the Avro aircraft were flown with engines not adapted to them. I met a number of officers of the R.C.A.F. and I may say that they were greatly impressed by the speed of this aircraft, its manoeuvrability and its great climbing power. In any case, five of these planes at or nearing completion at the time were cut up by the blow torch and the opportunity was lost to test them further. There is no question about their being cut up by the blow torch. In an answer to a question by the hon. member for Trinity, as found at page 5683 of *Hansard* of July 8, 1959, the Minister of Defence Production stated as follows:

> The fact is that the ministry of national defence gave orders to my department, and my department to crown assets that all equipment should be taken out of these aircraft and that they should be reduced to scrap. Those were the orders received from national defence.

I have heard hon. members on the other side of the house disparage the Avro aircraft. If the performance of this aircraft was so poor, why did the government cut them up? Why did they not save them so that the R.C.A.F. might test them and prove to their own satisfaction whether or not they were good or whether they did not come up to the required specifications. I met many officers in the R.C.A.F. who had the impression that it would still be the fastest military plane in the world.

I heard some reference to the cost. I think the minister said this plane would cost $12.5 million. I read a speech of the Prime Minister in which he said that, with certain modifications, it would cost $7.8 million. Today the hon. member for Trinity mentioned a figure of $6.8 million. The hon. member for Trinity, in giving the offset cost against the Avro Arrow, did not mention the Bomarc B bases. These cost well over $100 million, and as far as we have been able to find out they are not much use. Certainly if this were put as an offset against the cost of the Avro Arrow, the government is spending just about as much money.

The government started out on this Bomarc B program and these cheaper and slower airplanes because they did not have the money. Why did they not have the money? The weird financing of this government, the promotion of higher interest rates by the conversion loan and other fiscal procedures have certainly saddled us with a great deal of debt. Already the extra interest aggregates over $800 million. I think this, and this alone, is the main factor why we have no defence policy; why we are accepting slower airplanes than the Avro. This is the main reason why our airmen in Europe and here in Canada would be sitting ducks for faster airplanes.

If our equipment is as excellent as the minister says it is, why is he now buying secondhand airplanes from the United States? I think the government has given greater priority to the payment of higher interest rates than they have to an adequate national defence. Unfortunately for us the government has been more solicitous of the money changers of our defence and the personnel manning that defence.

Mr. Harkness: Mr. Chairman, I wish to say a few words in connection with the rather extraordinary statements which have just been made. In the first place, the hon. member said the F-101B is a secondhand airplane. This is not so. This is the latest two-engined interceptor that the United States have in their system. The airplanes that were secured from them are not secondhand airplanes; they are airplanes that came off the assembly line just a few months ago. Of course they have been tested, and so forth, but this has to be done with every airplane. Therefore any allegation that these are secondhand airplanes is just not correct.

The hon. member is under a complete misapprehension about the Arrow. It would not have been in service had the program been completed. The Arrow would not have been in service until late in 1962. We will have the F-101B's in service more rapidly than we would have had the Arrows in service had the program been continued. I should like to correct that misapprehension.

Mr. Hellyer: You only say that now because you cannot be disproved.

Mr. Harkness: I am not going into this Arrow matter again. I spoke on it two days ago and I spoke on it at some length this afternoon. I simply repeat the fact that it would have been an extraordinarily expensive program which the defence budget just could not stand and which the Canadian taxpayer could not stand. It was a terrible mistake that the program was ever initiated, and I think we have to accept that this was the case. The result was that a good deal of money was wasted on it. The hon. member says the Bomarc B is no good and he talks about some of its—

Mr. McMillan: I did not say that.

Mr. Harkness: —early failures. This is what the hon. member said, as I wrote it down. The hon. member said there had only been one successful bid out of 23 tries, and so on.

Mr. McMillan: I read that from the press. I did not say that was true.

Mr. Harkness: If you did not believe it to be the case, you should not have put it on the record of the House of Commons. You should take the responsibility for what you say.

Mr. McMillan: On a point of privilege, Mr. Chairman, I did not say that was the case. I said I did not know anything about the Bomarc B; that I had read this in the press. I hoped this was not the case, and I asked the minister to give us the results of some further tests.

Mr. Harkness: As a matter of fact, last year and the year before in the early testing and the development of the Bomarc B which was then going on, every time a failure of a Bomarc firing was announced the hon. gentleman opposite rose and hailed it with the greatest of glee. They made as much out of it as they could. They asked all kinds of questions and made all kinds of jibes at the then minister of national defence.

Of course, when there began a series of reports of successful firings of the Bomarc B they stopped that tactic. This is the first time for some time that anything has been said about the firing ability of the weapon, its accuracy, and so forth.

A few months ago I was down at Elgin field. I saw a firing of this weapon. It was a highly successful firing. I talked to the people in charge of the program. I spent over a day there. We have two R.C.A.F. officers attached to the field. They have been there a considerable length of time. I saw records of the firings of this weapon, which are very extensive now. The weapon is well proved and is highly successful.

Reference to early failures when the weapon was being developed are of course not applicable at the present time. The hon. member said the Arrow was the ace in the defence policy. He seems to think the Arrow was the chief piece of equipment and the cornerstone of our whole defence policy. This was never the case. Then he went on to say that now we have no Arrow, we have nothing.

That is also completely contradictory of the policy adopted by the Liberal party in January and the policy they have been stating since, that we do not need interceptors; we should have only a few airplanes for reconnaissance and identification purposes, but they should not shoot.

The hon. member is now stating a proposition completely contrary to that when he says the Arrow was the ace in the defence policy. It was, of course, nothing of the kind. It was one piece of hardware. It proved to be much too expensive a piece of hardware, and if we had gone ahead with it, it would have resulted in a completely unwarranted proportion of the defence dollar going into one particular piece of equipment.

The hon. member then went on to say the Bomarc bases cost over $100 million. As far as Canada is concerned, this is just fantasy. The actual estimated cost to Canada of these two Bomarc bases has been put on the record previously. The total cost of the two bases, the one at North Bay and the one at La Macaza, will be $13,993,560. Over half of that amount has been spent up to date. The annual cost to us of maintaining these two bases will be about $1 million.

Mr. Hellyer: Too much.

Mr. Harkness: It will be just over $1 million a year. As a result, the Bomarcs are actually the greatest defence bargain I think Canada has ever secured. We are getting a greater amount of protection and value from these two Bomarc bases, per dollar invested in them, than from any other kind of equipment that we have ever secured in recent years. That is the actual story in connection with this.

I have read in newspapers the statements which have been made by members of the Liberal party. They have said these Bomarc bases are terrificly expensive and are costing Canada $50 million or $100 million a year.

Mr. Hellyer: We did not say "in Canada"; we said "total cost".

Mr. Harkness: They said the bases were costing $100 million each, and so on and so forth. As I say these are the actual figures. They are, from the national defence point of view, a very great bargain indeed.

Mr. Hellyer: Before we leave the subject of the Bomarc I wonder if the minister will explain how the Bomarc operates against ballistic missiles launched from beneath the wings of aircraft. This is really the central argument.

Mr. Harkness: I have mentioned several times in this debate that the Bomarc is designed against the manned bomber. It does not deal with intercontinental ballistic missiles, and any mention of it in connection with those missiles is, unless it springs entirely from ignorance, designed only to confuse the issue. It has been stated time and time again that the Bomarc has no connection with intercontinental ballistic missiles—stated so often that I do not know why this question continues to be brought up. The hon. member referred to intercontinental ballistic missiles but he was, I think, referring to air surface missiles launched from aircraft.

Mr. Hellyer: That is what I said. The minister was not listening.

Mr. Harkness: I was listening carefully. Perhaps the hon. member made a slip of the tongue. However, this has been asked so frequently—the hon. member asked it the other day. He asked whether the Bomarc was any good against intercontinental ballistic missiles.

Mr. Hellyer: I said: stand off bombs from bombers.

Mr. Harkness: He said that the other day when he was speaking. Attempts to confuse the issue in this way will get nobody any place.

As far as the stand off bomber is concerned, how many stand off bombers there are or will be, and at what range they will be able to fire their missiles is something that we at present do not know. The Americans have such missiles. The weapon is still in the development stage but I think it has been developed to the point where the range runs up to 300 or 350 miles. They expect that in future it will have a range of a thousand miles. Whether or not the Russians have any of these weapons yet we do not know, but we must assume that if they have not got them they will probably get them shortly. But if they have anything like the range that they have at the present time the Bomarc is going to be effective against them long before the bombers can get off their missiles against the Bomarc bases. In any event, we are dealing here with what the possibilities are likely to be in the future. It is a matter of speculation, not a matter of fact.

Mr. Hellyer: Before we leave this point may I say that this is the type of information which the minister gives the committee—information which misleads both the committee and the Canadian public. The minister knows that the range of the Hound Dog missile is greater than the range he has just given. He also knows, or should know—we presume he has some of these facts at hand since he is minister of defence—that the range of the ballistic missile which will be carried by the B-52 bomber and the British V-bombers is considerably greater than that range. The figure used by the President of the United States in his message to congress was 1,000 miles. That is a far cry from 300 miles, and it does not help the discussion here for the minister to pick the figure of 300 miles in an endeavour to convince us that since 300 is less than 400 his Bomarc will be effective, still less that it will be effective in the future.

The Bomarc stations are not yet operational. The minister has not yet made up his mind as to whether they are to have atomic warheads or not. By the time he does the Russians will certainly have this type of ballistic missile with a range far greater than the range of the Bomarc. The minister cannot continue to mislead the public and the committee any longer in this regard. He has got to admit that as far as the future is concerned the Bomarc is useless because the carriers against which it is designed will never come within range of it.

Mr. Harkness: I have had about enough of this constant harping about my misleading the committee. I state in the most definite and categorical terms that I have given no information to this committee in which I do not firmly believe and for which I have not got a basis of expert opinion behind me. As to misleading the committee, may I say that the hon. member for Trinity gives figures which he pulls out of his imagination and out of the air. He says: these are the correct figures; all the figures produced by the defence departments of the whole western world are wrong. I have had enough nonsense of that kind. The hon. member is completely childish in making these repeated statements along that line and I think he should get wise to himself.

Mr. Hellyer: And I think we have had enough of these childish interruptions by the minister. I think he often gives to this committee information which is not accurate, and he must know it. He then takes the liberty of hiding behind security regulations—he cannot disclose the true figures to the house, he says, because it would not be in the national interest for us to be told the facts. He can then get up and use any figures he likes; we do not know what is going on, but he does. Figures printed in the Congressional Record are not accurate, but his are; figures printed in the message sent by the President of the United States to congress are not accurate, but his are; figures shown to other hon. members in private by representatives of the armed forces of the western world are not accurate but his are. He is the only source of wisdom, the only source of accurate figures. He suggests if we had to rely on the minister's figures we would be in a sad state indeed and I deplore the type of accusation he has just made.

Progress reported.

Resolutions adopted in the committee of supply this day reported and concurred in.

BUSINESS OF THE HOUSE

Mr. Chevrier: May I inquire what business we shall be doing tomorrow? Perhaps the leader of the house would also give us some indication of what the business will be for next week.

Business of the House

Mr. Churchill: Tomorrow we shall carry on with the estimates of the Department of National Defence and we shall, I hope, finish them. Then we shall carry on with the estimates of the Department of Defence Production which I also hope we can finish tomorrow if we are to maintain the earlier hope that we would complete the work of the session in very good time.

On Monday and Tuesday of next week it is the intention to proceed with legislative items. The precise order in which they will be taken I shall announce tomorrow, but members might be prepared for the following items.

Appearing on *Votes and Proceedings* tomorrow will be a resolution referring to a proposal to introduce a bill dealing with amateur sport. There is a resolution already on the order paper dealing with national housing, another concerning the centennial and another concerning school lands. Hon. members should be ready for debate on the four matters which I have mentioned.

Tomorrow it is the intention to bring forward for first reading the bill concerning what we have been calling the Pine Point railway. We had a discussion of the resolution earlier in the summer and passed it. If first reading is given to the bill tomorrow it would be available for second reading on Monday.

The bill on the order paper concerning the Civil Service Act is in the committee stage and might be called.

Those are the items that the house might be ready to give consideration to on Monday and Tuesday in the resolution stage and then in the bill stage. The order in which they will be taken up I will give tomorrow.

It being 33 minutes after 10 p.m., the house adjourned, without question put, pursuant to special order.

[The following items were passed in committee of supply]:

DEPARTMENT OF NATIONAL DEFENCE

232. Departmental administration, $3,455,378.

Inspection services—

233. Operation and maintenance, $7,224,436.
234. Construction or acquisition of buildings, works, land and equipment, $211,000.

Royal Canadian Navy—

235. Operation and maintenance, $208,135,049.
236. Construction or acquisition of buildings, works, land and major equipment, $71,823,500.

Canadian Army—

237. Operation and maintenance, $359,572,000.
238. Construction or acquisition of buildings, works, land and major equipment, $60,556,000.

HOUSE OF COMMONS

HOUSE OF COMMONS

Friday, September 15, 1961

The house met at 11 a.m.

ARTS, LETTERS AND SCIENCES

ANNOUNCEMENT OF SCHOLARSHIP AWARDS TO INDIAN STUDENTS

Hon. Ellen L. Fairclough (Minister of Citizenship and Immigration): Mr. Speaker, hon. members will be interested to learn that for the 1961-62 school year, 26 scholarships ranging in value from $250 to $1,750 are being awarded to Indian students of outstanding ability to encourage them to continue with their studies. The greatest number of scholarships previously given in any year since the government instituted this program in 1957 was 18, so the 26 awards for this year represent a substantial and encouraging increase.

Indians from Ontario and Quebec shared 14 scholarships; six were awarded in Saskatchewan and three each in the maritimes and British Columbia. The new awards include eight for university training; three for teacher training; four for nursing; six for various kinds of vocational training; four for studies in the arts; and, for the first time, one for forestry. It is particularly interesting to note the wide range of studies chosen by the recipients of university scholarships, which include dentistry, medicine, law, engineering and home economics.

I have a list of the scholarships here, Mr. Speaker, and if the house would give permission I should like to have it incorporated at this point with this announcement in *Hansard.*

Mr. Speaker: Has the minister leave to incorporate the list in *Hansard*?

Some hon. Members: Agreed.

[*Editor's note: The list referred to above is as follows:*]

List of Scholarship Winners—1961-62

B.C. Region

Catherine Leo, Kyuquot band, university scholarship, University of B.C., arts $1,200.

Rennie Brown, Gitlakdamix band, teacher training scholarship, University of Alberta, $1,200.

William Etzerza, Tahltan band, vocational scholarship, commercial training $1,050.

Saskatchewan Region

Thomas Stevenson, Cowessess band, cultural scholarship in music, $850.

David Sparvier, Cowessess band, university scholarship, University of Ottawa, arts, $1,300.

Harvey Tootoosis, Poundmaker band, University of Saskatchewan, engineering, $1,375.

Ida Ruth Crowe, Piapot band, teacher training scholarship, $1,250.

Rosella McKay, Kahkewistahaw band, nursing scholarship, $525.

Bernice Stonechild, Muscowpetung band, nursing scholarship, $525.

Northern Ontario Region

Joseph Land, Islington band, cultural scholarship in art, Manitoba U., $1,500.

Rene Bannon, Fort William band, vocational scholarship, technical high school, $775.

Southern Ontario Region

Clare Clifton Brant, Mohawks of Bay of Quinte band, university scholarship, Queens University, medicine, $1,500.

Lauren Chrisjohn, Oneidas of the Thames band, vocational scholarship, technical high school, $600.

Bruce White, St. Regis Iroquois band, vocational scholarship, technical high school, $1,500.

Janice King, St. Regis Iroquois band, cultural scholarship in music, $500.

Howard E. Statts, Six Nations band, university scholarship, Osgoode Hall, law, $1,150.

Quebec Region

Edouard Cree, Oka band, univ. scholarship, U. of Mtl., dentistry, $1,750.

Elisabeth Achini, Montagnais (Seven Island) band, nursing scholarship, $500.

Pauline Cote, River Desert band (Maniwaki), teacher tr. scholarship, $750.

Joseph Norman Connolly, Montagnais of Lac St. John, Pointe Bleue, forestry scholarship, Duchesnay, Que., $750.

Raynald Gedeon, Marie band, cultural scholarship, Univ. of America, drama, $1,750.

Claude Philippe, Montagnais of Lac St. John, Pointe Bleue, vocational scholarship, Three Rivers tech. inst., $1,200.

Abel Sinclair Kitchen, Waswanipi band, vocational scholarship, technical institute, $900.

Proposed Legislation

Maritime Region

Joan Johnson, Eskasoni band, university scholarship, Mount St. Bernard-Antigonish, home economics, $1,050.

Carl Sacobie, St. Mary's band, university scholarship, St. Thomas College, arts, $950.

Elizabeth Mathews, Eskasoni band, nursing scholarship, $250.

Hon. J. W. Pickersgill (Bonavista-Twillingate): Perhaps I might be permitted to express my gratification, not merely as a member of parliament but as the person who occupied the position now occupied by the hon. lady at the time this system of scholarships for Indians was instituted. I am gratified that this system is so satisfactory in the view of my successor.

Mr. Frank Howard (Skeena): Not having had the background which the hon. member for Bonavista-Twillingate has had, I cannot take any credit myself for this. However, we in this group also welcome the announcement of the minister. It is extremely gratifying to us that there are increases and we hope there will be increases in the future in such scholarships to our native people. The advancement of our native people, in all forms, rests so much upon the education of the younger children.

CANADIAN NATIONAL RAILWAYS

CONSTRUCTION OF LINE TO GREAT SLAVE LAKE

Hon. Leon Balcer (Minister of Transport) moved for leave to introduce Bill No. C-126, respecting the construction of a line of railway in the province of Alberta and in the Northwest Territories by Canadian National Railway Company from a point at or near Grimshaw, in the province of Alberta, in a northerly direction to Great Slave lake, in the Northwest Territories.

Hon. Lionel Chevrier (Laurier): Before the motion is put, Mr. Speaker, may I ask the minister whether the agreement upon which the resolution was based and, I presume, upon which the bill is based has been finalized between the government and the company?

Mr. Balcer: Yes, the agreement has been finalized.

Mr. Chevrier: Will the minister table it before we discuss second reading of the bill?

Mr. Balcer: I will study the request of my hon. friend and let him know later in the proper fashion.

Motion agreed to and bill read the first time.

[Mr. Speaker.]

TRADE

ACCRA—INQUIRY AS TO REPORTED STATEMENTS BY CANADIAN MINISTERS

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, I should like to ask the Prime Minister whether statements made during the last two days at Accra in Ghana by the Minister of Finance and the Minister of Trade and Commerce behind closed doors, we are told, but given to the press in whole or in part, were approved in advance by the government.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I have not been able to secure a copy of those statements as yet, though I have endeavoured to do so. Communication between Canada and Accra by telephone is a major difficulty. I tried to do so yesterday afternoon for a number of hours. However, I think I should say at this time that throughout the years this party has stood for a strong commonwealth, and this during the days when there were others in other parts of the house who did not hold that view.

An hon. Member: Including South Africa.

Mr. Diefenbaker: We still believe in the maintenance of a strong and effective commonwealth. That we have succeeded in many of the things we have endeavoured to do in that connection is apparent from the fact that we brought about a trade and economic conference. If anyone has any doubt about the stand we have taken in that regard he has but to read Taylor's book on the commonwealth, "The Years of Challenge".

Whatever the statements made may have been, any discussion thereon will be fruitless until those statements are available. The view of this government was expressed by me yesterday and on previous occasions. Our desire is not in any way to interfere with the right of any other member of the commonwealth to determine the course it will take, any more than other parts of the commonwealth can determine ours. However, we have the right among ourselves to point out the potential or possible effects of the action of any member of the commonwealth on the other members. Our desire is a strong and effective commonwealth, and to that end are our purposes directed and our representations made.

Mr. Pearson: Mr. Speaker, in view of what the Prime Minister has said, and before I ask a supplementary question, may I be permitted to say that not only do we on this side agree that there should be a strong commonwealth, but we believe that if it

had not been for Liberal government policy in Canada in the past there might not have been any commonwealth at all.

Some hon. Members: Oh, oh.

Mr. Pearson: I should like to ask the Prime Minister whether he would consider it proper if the United Kingdom government indulged in the same kind of public criticism of Canadian policy that Canadian ministers are now aiming publicly at United Kingdom government policy on a matter so politically controversial as the one we are talking about.

Mr. Diefenbaker: Mr. Speaker, I am very glad to answer that question. When the hon. gentleman protests as to the attitude taken by this government to the commonwealth I would just recall the fact that in 1956 his leader said the days of power, in so far as the United Kingdom and France were concerned, were over. That was their attitude to Britain.

Mr. Pearson: That is not what he said. On a question of privilege, Mr. Speaker, when the Prime Minister sees fit to quote in this house from one of his predecessors, he should quote accurately and not misrepresent what was said.

[*Later:*]

Hon. Lionel Chevrier (Laurier): Mr. Speaker, may I direct a question to the Prime Minister. The Minister of Finance said at Accra, as reported by the Southam news service:

> The United Kingdom cannot have a foot in each group and retain the freedom of action which is necessary to the leadership of the commonwealth.

Was he speaking for the government, or expressing the views of the government at that time?

Mr. Diefenbaker: Mr. Speaker, I have already made very clear the views of the government with respect to this matter. I am not going to discuss reported statements until I see the remarks that have actually been made. I have seen reports of statements allegedly made by both the hon. gentleman and the Leader of the Opposition that I am sure they did not make. I am giving the same consideration to some of the remarks allegedly made at this conference.

Mr. Pearson: In view of the fact that the Prime Minister has mentioned me, may I say that when I am faced with a quotation of that kind, which he says I did not make, I do not give it to the press in advance.

Mr. Diefenbaker: I seem to recall one which had to do with—no; that was a statement on a television program.

Mr. G. J. McIlraith (Ottawa West): I wish to direct a question to the Prime Minister based upon an excerpt from a speech made by the Minister of Trade and Commerce on this same occasion at Accra. The excerpt is as follows:

> And so we in Canada are convinced that we are considering not only an economic problem which has far reaching implications for all of us, but also a problem which involves the future of the commonwealth itself. We strongly urge the government of the U.K. to consider this matter in this broader concept when the negotiations with the E.C.M. countries commence in the near future, and ensure that the trading arrangements which exist between the U.K. and her commonwealth partners which have been mutually beneficial over so many years remain unchanged.

My question is this. Is it the view of the government that any effort by any member of the commonwealth to change its trading pattern places the commonwealth itself in jeopardy?

Mr. Diefenbaker: That is another of those hypothetical questions based on a hypothetical quotation. I think it is perfectly clear that each member of the commonwealth may take the course it desires at all times, giving the fullest consideration, as Mr. Macmillan said would be the fact, to the effect it would have on other members of the commonwealth.

Indeed, I rely very strongly on the statement which the Prime Minister of the United Kingdom made in the House of Commons that an application was made for membership to the end that through negotiation the situation might be determined. He also stated —and I know this is the attitude of the United Kingdom government, and at all times it has been their attitude during the period in which the responsibility of government has rested upon my colleagues and myself—that in anything they do every consideration is given by them to assuring the achievement of that which is the common objective of both our governments, namely a strong and effective commonwealth, and that nothing should be done without the fullest consideration and regard always being paid to the welfare of all other members.

Mr. Pearson: May I ask the Prime Minister a question arising out of what he has just said. In view of what he has said, will the right hon. gentleman instruct the ministers concerned to stop their public squealing before Canada is hurt?

Mr. Diefenbaker: I do not think the hon. gentleman is very much concerned about the latter part. I think that was an addition to the question. I have seen statements made by the hon. gentleman to which I might

have ascribed the same words that he now ascribes to the statement which has been read.

Hon. J. W. Pickersgill (Bonavista-Twillingate): I wonder if I may direct a supplementary question to the Prime Minister. Are we to understand from the answers he has given with respect to the statements which appear in quotation marks, alleged to have been made by the ministers in Accra, that there was no agreed position which the ministers were to take, determined in advance in Ottawa?

Mr. Diefenbaker: The agreed position was declared by me on behalf of this party and the government, in the house.

Mr. Pickersgill: Evidently the ministers did not understand it.

UNITED NATIONS

CONGO—REQUEST FOR STATEMENT ON CURRENT SITUATION

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to address a question to the Secretary of State for External Affairs. I apologize for not sending him notice owing to the rush of affairs. My question is this. In view of the recent disturbing developments which have taken place in the Congo, is the Secretary of State for External Affairs in a position to comment on the present situation in Katanga province?

Hon. Howard C. Green (Secretary of State for External Affairs): Mr. Speaker, I share the concern which I know is felt by all hon. members of this house at the turn of events in Katanga. I am disturbed by the most recent press reports as to the apparent deterioration in the situation there. As I told the house on Wednesday last, it had been our hope that the action taken by the United Nations forces in the Congo would forestall the outbreak of large scale violence and would bring the potentially dangerous situation there effectively under control.

In view of the absence as yet of direct reports from our own people in the Congo, or of an official report from the United Nations command on the most recent developments, I do not wish to go any further than this in offering detailed comment at this stage. As the house is aware the secretary general, Mr. Hammarskjold, is still in Leopoldville, and will be in a position to report personally on these developments when he returns to New York in the near future.

Mr. Chevrier: Mr. Speaker, may I direct a question to the Prime Minister—

[Mr. Diefenbaker.]

Mr. Laurier Regnier (St. Boniface): Mr. Speaker, I have a supplementary question.

Mr. Speaker: Order. The hon. member for St. Boniface has a supplementary question.

Mr. Regnier: Yes, Mr. Speaker. Can the minister explain the role of the United Nations in the Congo, and can the United Nations interfere in the political and local administration of a province in the Congo?

Mr. Green: Mr. Speaker, it would not be opportune for me to explain the role of the United Nations in the Congo on orders of the day. I believe that the effort now being made by the United Nations in Katanga is designed to bring all parts of that unfortunate country into one unit and under the control of one central government.

AIRPORTS

FORT WILLIAM—STATEMENT ON IMPROVEMENT OF RUNWAYS

On the orders of the day:

Hon. Leon Balcer (Minister of Transport): On Monday last the hon. member for Fort William asked a question concerning the runways at the lakehead. I have made inquiries and find that an operational requirement for improving the runways at the lakehead to accommodate larger aircraft has not been submitted to my department by T.C.A. Consequently there are no immediate plans to improve the runways at the lakehead. If an operational requirement for such improvement were presented and approved by treasury board, a suitable item would be placed in the estimates of my department to meet the requirement.

HUMAN RIGHTS

REPORTED DISCRIMINATION AGAINST FRENCH CANADIAN CHARWOMAN

On the orders of the day:

Mr. Alexis Caron (Hull): I wish to direct a question to the Minister of Public Works. Has the minister been informed that the Ontario Building Cleaning Company Limited, which has contracts with the federal government, has practised discrimination against a French Canadian charwoman working on those contracts?

Hon. D. J. Walker (Minister of Public Works): Mr. Speaker, the answer is no.

Mr. Caron: A supplementary question, Mr. Speaker. If it is established that the Ontario Building Cleaning Company is practising discrimination, is it the intention of the department to cancel the contract on the basis of the bill of rights?

Mr. Speaker: Order. I fail to see how the hon. member could expect an answer to a question as hypothetical as the one he is posing.

Mr. Caron: Perhaps I could put it this way, Mr. Speaker. Would the minister establish an inquiry to see if it is true?

Mr. Grafftey: Divide and rule again.

Mr. Caron: If I am not to receive an answer, may I direct a supplementary question to the Secretary of State.

(Translation):

In a matter of such importance, could we be assured of the good offices of the Secretary of State?

Hon. Noel Dorion (Secretary of State): I am always willing to be of assistance.

(Text):

[*Later:*]

Mr. Walker: Mr. Speaker, I was at a loss to understand the purport of the question of the hon. member for Hull which appeared to be a speech and a political one at that; but if he has any facts to substantiate the alleged story in the press I would be happy if he would bring them to my attention. As he must have been aware long since, in my position I am the champion of all efforts to see that there is no discrimination of any kind as to language, race, religion or even politics, and that is more than the hon. member for Ottawa West can fully comprehend. In fact we have even hired some Liberals.

Some hon. Members: Order.

Mr. Caron: Mr. Speaker, may I tell the minister that since the present Secretary of State for External Affairs left the public works portfolio, no Liberal has been placed, because the present minister is one who always plays politics.

Mr. Speaker: Order.

Mr. Caron: I will send the details to the minister.

Mr. Speaker: Order. I hope hon. members on both sides will not take further liberties with the question period.

WATER RESOURCES

TRENT WATERWAY—INQUIRY AS TO MAINTENANCE OF WATER LEVELS

On the orders of the day:

Mr. Walter Pitman (Peterborough): Mr. Speaker, I wish to direct a question to the Minister of Transport. Has the minister's attention been drawn to a letter from chief engineer A. J. Bonney, informing him that the water flow past the Peterborough Hydraulic Power Company was 300 cubic feet per second less than expected, in spite of the fact that the storage lakes in the Haliburton region were well up?

Would the minister explain why this has happened, and whether there has been a change in policy in this regard in spite of assurances that were given?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, the hon. member was good enough to send me notice of his question. On the first point mentioned by the hon. member, a letter has been received from a Mr. A. J. Bonney of the Quaker Oats Company at Peterborough, and the points he has raised are now under study. A reply should go out shortly.

On the second point, I informed the hon. member on April 18, in this house, that no major changes in the method of regulation are likely to be made this year. This has, in fact, been the case. There are bound to be minor fluctuations from year to year, resulting both from over-all water levels in the system and from the varying needs of different groups. The hon. member must be aware that there are widely varying views among different public groups in the area as to the best method of water regulation on the Trent system.

(Translation):

HOUSE OF COMMONS

REPORTED IRREGULARITIES RESPECTING ELECTION OF SECRETARY OF STATE

On the orders of the day:

Hon. Lionel Chevrier (Laurier): Mr. Speaker, I should like to direct a question to the Secretary of State. Would the minister have any comment to make on an item which was published in this morning's *Gazette* and which reads as follows:

(Text):

A former Quebec liquor police inspector testified yesterday he worked for two months as a political organizer in the riding of Secretary of State Noel Dorion during the 1958 federal election campaign and was paid with fraudulent expense accounts.

Rene Mercier, 45, said he did "election work" in Bellechasse riding—

Mr. Speaker: Order. The hon. member appears to be reading a rather lengthy excerpt on a question which, although I did not hear it completely because of the switch from English to French, did not seem to relate to the public responsibility of the Secretary of State. If I am mistaken in that I shall be glad to be advised, of course.

Mr. Chevrier: Mr. Speaker, in the first place I was not reading a lengthy excerpt. I was reading one short paragraph from an article

which appeared in the Montreal *Gazette* of September 15, 1961. I was asking the Secretary of State whether he had any comment to make on it. I think that is a perfectly normal and ordinary question, and I again ask the Secretary of State whether he has a comment.

Mr. Speaker: Before the hon. member proceeds, did the question relate to a public servant or was it a question arising out of some election activity? If so it does not seem to me to be a matter of the administrative responsibility of the minister.

Mr. Chevrier: Mr. Speaker, the question relates to the minister himself. I should think the minister would be the first to want to make a comment on that item.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, the question, as the hon. gentleman must know, is not a proper one; but I think since a portion of the particular news report has been read the Secretary of State ought to have the opportunity of answering it.

(Translation):

Hon. Noel Dorion (Secretary of State): Mr. Speaker, I heard about this last night through a journalist. I inquired of those concerned in order to know what was mentioned in the evidence referred to in the *Gazette,* and I must say that contrary to the allegations of the journalist my name was never mentioned during that preliminary investigation.

I must add, moreover, that I never had anything to do whatsoever with the administration of Quebec liquor control board authorities.

Finally, after inquiring of my chief organizer during the last election campaign, the latter told me repeatedly that he never retained the services of any police officer from the Quebec liquor control board to work for my election.

(Text):

DOMINION-PROVINCIAL RELATIONS

NEW BRUNSWICK—CORRESPONDENCE RESPECTING TAX COLLECTING ARRANGEMENTS

On the orders of the day:

Mr. W. L. M. Creaghan (Westmorland): I should like to direct a question to the Prime Minister. Has the Prime Minister replied to a recent communication from the premier of New Brunswick concerning federal proposals dealing with tax collecting arrangements?

Right Hon. J. G. Diefenbaker (Prime Minister): Yes, Mr. Speaker, a reply has been given to the premier of New Brunswick.

[*Later:*]

Mr. Creaghan: Mr. Speaker, may I ask a supplementary question. A moment ago the Prime Minister answered in the affirmative my question concerning correspondence with the New Brunswick premier. Would the Prime Minister make a statement on it, or agree to table the correspondence?

Mr. Diefenbaker: I think the best course would be, with leave of the house, to table the correspondence, although the hon. member for Bonavista-Twillingate usually rises to ask that it be printed as an appendix. While I have not asked the permission of Mr. Robichaud, I am sure he would not object to the reply being tabled as well as his letter, because he gave publicity to his letter in detail at the time he forwarded it to me.

Hon. J. W. Pickersgill (Bonavista-Twillingate): I wonder if I might ask the Prime Minister a supplementary question which he has almost invited me to put. He may wish to have some consultations, but at the first convenient opportunity would he make available in good time all the correspondance there has been with the provincial governments since the last meeting of the conference, so that it will be available for study before we undertake consideration of the legislation now on the order paper?

Mr. Diefenbaker: Mr. Speaker, I accede to that request with great pleasure, and will make available copies of all the correspondence that has passed. In the meantime I would ask that my letter to Premier Robichaud and his reply be printed as an appendix to *Hansard.*

Mr. Speaker: Has the Prime Minister leave to have printed as an appendix to today's *Hansard* the correspondence mentioned, namely the letter from the premier of New Brunswick and the Prime Minister's reply?

Some hon. Members: Agreed.

[*Editor's note: For text of correspondence above referred to see appendix.*]

SHIPPING

COMMUNICATIONS FROM U.K. RESPECTING CANADIAN SUBSIDY

On the orders of the day:

Mr. John Matheson (Leeds): Mr. Speaker, my question is addressed to the Secretary of State for External Affairs. It arises out of a news story appearing in the *Times* of London of September 12, 1961. Has the government received two memoranda from the British government relating to the government's shipbuilding subsidy? If so, what is the effect of such memoranda?

Hon. Howard C. Green (Secretary of State for External Affairs): Mr. Speaker, I will have to take this question as notice.

CANADIAN BROADCASTING CORPORATION

INQUIRY AS TO STATUS OF RAYMOND DUPUIS

On the orders of the day:

Mr. J. P. Deschatelets (Maisonneuve-Rosemont): I should like to direct a question to the Minister of National Revenue. Is Mr. Raymond Dupuis, the chairman of the Union Nationale party convention to be held in Quebec on September 23, the same Raymond Dupuis who is a member of the board of directors of the Canadian Broadcasting Corporation? If so, would the minister say whether it is proper for a member of the board of directors of the C.B.C. to act as chairman of a political rally?

Hon. George C. Nowlan (Minister of National Revenue): Mr. Speaker, I do not know anything about the political activities, past, present or future, of Mr. Dupuis.

Mr. Deschatelets: Would the minister inquire if Mr. Raymond Dupuis is the same person acting in both capacities?

Mr. Grafftey: Find out for yourself.

NIAGARA FALLS AND TORONTO—COVERAGE OF POLITICAL CONVENTIONS

On the orders of the day:

Miss Judy V. LaMarsh (Niagara Falls): Mr. Speaker, I have a question for the Minister of National Revenue. Can the minister inform the house whether the C.B.C. has been asked to give free live coverage to two political conventions to take place in Niagara Falls and Toronto in the month of October and, if so, what decision has been reached?

Hon. George C. Nowlan (Minister of National Revenue): I will make inquiries with respect to that matter. If the hon. member will advise me as to the political conventions she has in mind, it might make the inquiry much easier.

Miss LaMarsh: I will be glad to send a memorandum to the minister.

IMMIGRATION

FRANCIS TOBIAS—INQUIRY AS TO LETTER RESPECTING DEPORTATION

On the orders of the day:

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, the hon. member for Cartier asked me yesterday whether I had received a letter from one Sophia Horan concerning one Francis Tobias. A search has been made of my records, and I am advised that no such letter was received.

COMMONWEALTH RELATIONS

INQUIRY AS TO FITTINGS ON SHIP GIVEN TO WEST INDIES

On the orders of the day:

Miss Judy V. LaMarsh (Niagara Falls): Mr. Speaker, I have a question for the Secretary of State for External Affairs. Is the minister aware that the gear and fittings on the *Federal Maple*, one of the ships given to the West Indies federation by Canada, is marked "made in U.S.A." or "made in England" and, despite the government's buy-Canadian program, the cutlery on the ship is Japanese and the china is from the United States?

Hon. Howard C. Green (Secretary of State for External Affairs): Mr. Speaker, I have not made an examination of this ship to the extent that the hon. member appears to have done. These particular details do not come under my department at all.

TRANSPORT

P.E.I. CAUSEWAY—REQUEST FOR REPORT ON FEASIBILITY STUDY

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I wonder whether I might ask an unrelated question of the Minister of Public Works in the hope that he will give a plain answer and not make another political speech. My question is this. Has the long awaited and long delayed feasibility study on the causeway to Prince Edward Island been completed and, if so, will it be published?

Hon. D. J. Walker (Minister of Public Works): Mr. Speaker, the hon. member for Bonavista-Twillingate, a former student of law, has been very quiet this session—

Some hon. Members: Oh, oh.

Mr. Walker: —and it seems odd that he cannot think of anything better to raise at the moment. He knows full well the tremendous problem involved in this investigation, a problem that has so far never been solved anywhere in the world.

Mr. McIlraith: Mr. Speaker, I rise on a point of order.

Mr. Speaker: Order. The hon. member for Ottawa West is rising on a point of order.

Mr. McIlraith: We have had this spectacle of the Minister of Public Works contravening the rules in his answer to the question asked. The question appeared to be in order and the

answer was completely out of order, in that it made gratuitous and personal references to the member asking the question and did not deal with the subject matter of the question. My point of order is that if the question period is to be kept effective and serve any purpose, the answers to questions must be brought within the rules just as the questions now are.

Mr. Speaker: I appreciate that the hon. member and most hon. members, I think, wish to observe the established practices. In this instance I think both the questioner and the questionee expressed themselves in terms beyond the normal range of questions and answers.

Mr. Pickersgill: I wonder if I might put a supplementary question to the hon. gentleman, and ask him if he knows that the causeway is now referred to in Prince Edward Island as the "pauseway".

Mr. Walker: I know the hon. member for Bonavista-Twillingate is referred to as the lost cause in Newfoundland.

SUPPLY

The house in committee of supply, Mr. Chown in the chair.

DEPARTMENT OF NATIONAL DEFENCE

Royal Canadian Air Force—

239. Operation and maintenance, $536,666,000.

Mr. Harkness: Mr. Chairman, yesterday in a discussion of air force matters the hon. member for Trinity put on the record some fantastic figures of his own devising as to the cost of the acquisition of the F-101 airplane and the manning of the Pine Tree line that were involved in this particular deal. At the time I said if the allegation had come from a serious source I would have taken it seriously. However, I considered the source from which it came and merely said the figures the hon. gentleman was producing were comparable to figures he had produced before, which were quite evidently out. The Canadian Press carried a story in one of the morning newspapers making use of those figures and I think, therefore, I should refer back to what I said in connection with the cost to Canada of the acquisition of the F-101 and the manning of the radar stations on the Pine Tree line.

In order that there may be no question as to what the cost is, I refer to the figures I gave on June 13, which are the estimate of responsible officials of the department. They are the figures which will be used so far as the coming year's operations are concerned in the estimates which are put before this house for approval. I think they are the accurate figures and the figures that must be accepted.

[Mr. McIlraith.]

At that time, on June 13, I said in answer to a question by the hon. member for Laurier that the annual cost of civilian staff operation and maintenance—this is the cost for the radar stations of the Pine Tree line which Canada has agreed to take over—is estimated at $5 million for 1961-62; $9.6 million for 1962-63; $15.1 million for 1963-64 and $16.1 million when the stations are fully manned. The NORAD agreement is to run until 1968, when it will be reviewed. The total estimated cost during that period is $94.1 million.

Then there was a supplementary question as to the cost of armed services personnel. I said that the military personnel, of course, will be provided from within existing R.C.A.F. staffs. The total number which will be required to man these stations will be in the neighbourhood of 1,700 to 1,800—I am speaking from memory now but I know it is in that area—and some 800 to 900 civilian staff. There was a further supplementary question, and I said that the estimated cost of the 1,700 to 1,800 military personnel which will be involved in manning these stations when the take-over is complete is around $9 million a year.

I should like to point out that I stated the plan was to provide these out of existing members of the R.C.A.F. The estimate of the total cost of manning the Pine Tree line and the cost for the support for the F-101, which we have to pay for, is $170 million rather than the $490.9 million which the hon. member represented was going to be the cost. In this case, I think he had it for ten years. However, that is the actual figure, $170 million.

This estimate is made up of the cost of the civilian staff and maintenance, which I have mentioned, of $94.1 million; $14.1 million for the spares and support that we have to secure for the F-101; $61.8 million for the cost of military personnel. In addition, of course, under the deal we are giving $50 million of mutual aid and the United States is giving approximately $150 million in the form of F-104 airplanes to our NATO allies in Europe. This $200 million is to be spent in Canada for the production of F-104 airplanes. This is, of course, one of the very attractive features of this whole deal, and will provide $200 million worth of business which means a very large amount of employment to Canadian workers.

Those are the costs and the definite costs. In view of the completely irresponsible calculations which the hon. member for Trinity made and which, unfortunately, have been printed, I thought I should make this definite statement so there would be no question as to what the costs are in connection with this whole deal.

At the same time the hon. member for Trinity talked about the costs of the F-101

and the manning of the Pine Tree line, he referred also to evidence given by the present chairman of the chiefs of staff committee, the then deputy minister, before the defence expenditures committee as to the cost of the Arrow. He made an allegation that the statement of the present chiefs of staff committee was contrary to the figures which I had given relating to what would have been the cost of the Arrow. He subsequently accused me of lying and, of course, was completely out of order so he had to retract; nevertheless that appeared in the newspapers.

I should like to make it clear that the figures I have given in connection with this matter at various times were figures which I quoted from the proceedings of the special committee on defence expenditures. I had in my hand a copy of those minutes and read from them when I gave the figures. The whole story is here in these minutes of the special committee on defence expenditures; therefore there does not need to be any argument as to what the figures are or what was said.

I should like, however, in order to show that the present chairman of the chiefs of staff committee used the same figures which I used, refer to his evidence as found on page 136 of the regular proceedings for Friday, May 12, 1960. He stated at that time:

> So the figures to which the minister has referred in the amount of $7.8 million per copy is the average cost of the 100 aeroplanes.

This was on the presumption at that time, or the basis, that 100 airplanes would be secured. I should furthermore like to point out, however, that if the number had been reduced to the number of F-101's which we have actually secured, that is to 66, the cost per copy would be considerably higher and as a matter of fact would have come to something in the neighbourhood of $9 million for that smaller number of planes.

However, the main point is this, I think. All statements which I have made in connection with the cost of these planes were taken directly from the figures of the subcommittee and are substantiated by the officials in the department. These various allegations that I have been attempting to mislead the house and to give incorrect figures have no foundation in fact, as I think is quite apparent, I would hope that there would be no more wild statements of that kind.

The matter of continuing to flog the Arrow situation, of course, in view of the fact that it is now some considerable time since the contract was cancelled, I do not think gets us very far, where the discussion of the present estimates of the Department of National Defence is concerned. However, I think these two corrections were necessary so there will be no doubt whatever as to what the situation is in connection with either matter.

Mr. Pitman: Last night just before the supper hour the hon. member for Greenwood I thought made a very profound statement, and I think it certainly refers to this area of the R.C.A.F. perhaps even more than to any other area. He said that we on this side appeared to be dealing with unreality or war games, whereas the minister was dealing with reality. When the hon. member for Greenwood says anything we on this side of the chamber listen, and indeed we search ourselves to find out just exactly the reason for what he has said.

I am the first to admit that we are only a part of the whole, or that we are only a small link in this chain. However, it seems to me that we in this committee are concerned with deciding just how effective or how strong this link is, with the dreadful realization that a chain is only as strong as all its links. Why is it that the minister's statements have this air of unreality? I cannot help feeling that we have a defence policy in reverse. What we are doing is this. We decide that we are a small partner with limited resources and that we can do only a very little. We therefore adjust the threat to what we are prepared to meet, in terms of the small area with which we are dealing in our relations with our allies.

Yesterday one or two examples of that tendency arose under the army estimates, when we asked about the Canadian army looking after the shore lines of North America. No matter how often the Minister of National Defence says that the army is concerned with dealing with parachutists and stopping them from taking over our radar installations, I cannot believe that in an all-out nuclear war they would send planes anywhere near the radar installations without realizing that the whole strategic air command would be on them before the parachutists had taken over the D.E.W. line or any other area.

The same criticism applies with respect to the navy estimates. The hon. member for Trinity has suggested that the anti-submarine activities of the Canadian navy are completely and hopelessly out of date in relation to the kind of nuclear submarines that we know the Russians are making. What are we using for our knowledge? The hon. member for Trinity is using a great deal of material from the United States congress. To some extent I have been using material from the London institute of strategic studies, which has attempted to make some study of the threat. They tell us that the Russians have 500 submarines, 10 of which are atomic powered submarines.

Mr. Chambers: I rise on a point of order, Mr. Chairman. We have passed the estimates concerning the navy as well as those of the army. We are now dealing with the Royal Canadian Air Force.

Mr. Pitman: I accept that point of order, Mr. Chairman, and will continue. I meant this only as an example of the same thing as that with which we are dealing now. The point is this. The reason for this feeling of unreality in the defence estimates is that what we are doing is adjusting the threat to what we think we can handle in our particular area in conjunction with our allies. I refer to this item for the R.C.A.F. We know that Russia is moving into the missile field. We know that we can do very little in this area, and indeed that the United States can do very little. So once again we adjust the threat to what we think we can deal with.

I tried to find out what the minister thinks the threat is. I think it is important to know this. Some extremely intelligent strategists have suggested that the Russians are manufacturing over 1,000 planes capable of making a one way flight. I think there are 100 to 200 which are long range planes capable of getting back again. However, it is suggested that over 1,000 planes can make a one way flight, and that is all that would be necessary.

The minister himself has suggested that the number of megaton bombs that could be dropped on the United States is unlimited, but he says he feels that the ability to drop them is limited. To what extent is it limited? This is what I want to know. He gave us some very interesting figures on the difference between a one megaton bomb and a five megaton bomb and he said that a five megaton bomb is not five times as effective as a one megaton bomb. There is no escalation in the price. A five megaton bomb is not five times more expensive or five times heavier. Therefore it is quite feasible that an aeroplane could carry 1 of these 100 megaton or super bombs, as has been suggested.

It seems to me that until we know what the absolute threat is, we cannot play our part. I realize that we are doing this in conjunction with our allies, but just how effective are we in this whole matter? If the Russians have 1,000 planes, one strategist suggests; that at least two thirds would get through. In the last war they were lucky to get 10 per cent through. But let us suppose that even with the much better bombers they have today and with the defence that is put up, 50 per cent get through. On this basis, in an all-out nuclear war, that would be enough to completely annihilate every single person on the North American continent.

I think the problem is that we must have some idea of what this danger is. I humbly appeal to the Minister of National Defence and to his department to tell the Canadian people just exactly what the threat is. What I am concerned about is the tremendous amount of propaganda that is coming out —I will not say it is from the Pentagon—to the effect that we can survive a nuclear war. Yet it has been suggested by the strategist whom I have quoted that there is no such possibility, no matter what kind of shelter we have or what emergency measures organization.

Perhaps I will be accused—and I hope that this will not be the case—of being childish and trying to scare people. I do not think this is the point at all. In a democracy I think if a danger exists we should have the truth. If it is suggested that the people cannot be told the truth because they would lose their compulsion or desire to fight, then I suggest that democracy has lost before the first missile has been launched.

I hope the minister will answer a few of these questions I have in this regard. To what extent is Russia armed with missiles that may be delivered by ICBM or by submarine? Perhaps along with that question I might ask this one, and here again I realize we are not trying to fight Russia by ourselves. Assuming the Russian determination, resources and technological skill which are quite evident from their research into space, how many years, will it be before they have enough missiles so they will be able to forsake bombers completely, and before the Bomarcs and other material we are using will be completely out of date? Can he give us any information in this area?

Mr. Harkness: First of all, the hon. member said he wanted the truth. I should like to emphasize the fact that every statement I make in regard to this matter is truthful as far as the facts at my disposal are concerned. I would not think of telling the hon. member or the Canadian public as a whole anything but the truth in regard to these matters.

The general situation is this. We know that the Russians possess a very considerable number of nuclear weapons. We know they have a large fleet of submarines. We believe they perhaps have some submarines that are capable of firing nuclear tipped missiles. As I say, we believe this is probably the situation; of course we do not know the order of battle of the entire Russian army, navy and air force. We naturally receive some intelligence reports in connection with this. I think the hon. member will realize, however, that it would not be in the interests of

this country to state what the various intelligence estimates are from time to time as to Russian capabilities in certain of these things.

The statement I have made on several occasions previously and which I should like to repeat is that as far as air attack on this continent is concerned, we believe, and we think we have good reason for believing, that the number of intercontinental missiles which the Russians have and which would be available for delivery on this continent is quite limited. On the other hand, they have a very large fleet of both medium and long range bombers. Therefore in the event of a full scale nuclear war the appreciation is that the main weight of the attack would be delivered by these bombers.

The hon. member has said that, of course, in the last war a considerable number of bombers always got through. I said two days ago, I think, in this debate that naturally you cannot have a perfect defence against bombers or, as far as that goes, against almost anything else. But if your defence is sufficiently strong, that in itself constitutes a very strong deterrent to the use of these bombers, missiles or anything else. In other words, if we have sufficiently strong forces in the western world we thereby, in my view at least, greatly diminish the chances of attack. This is really the basis and the theory upon which the NATO alliance has been working, that if we maintain sufficiently strong forces, both nuclear and conventional, the chance of war is very much diminished because it would result in mutual destruction.

I do not think I can answer the hon. member's questions any better than that. I do not know if this is what he was trying to get at, but this is the situation as we see it.

Mr. Pitman: Mr. Chairman, first I wish to thank the Leader of the Opposition for giving way a moment ago; I have to leave the committee in a moment. I wish to make it very clear that in saying the Canadian people wanted the truth I was not implying that the minister was not telling the truth. I was simply seeking more information.

I understand that Russia is still producing aircraft such as the Bear, the Tupelov type 20 turbo-jet, the Bison and the Myasishchev turbo-jet. Do we have any idea how many of these aircraft they have? I fully appreciate the desire for security, but is there any reason for our not telling the Russians how much we know they have? Does the minister think these aircraft are really important strategically?

Since rising to my feet in this debate I think I have apologized for asking questions of this sort. In the blue book it is mentioned that the CF-100 is limited in its role. Would the minister explain what is meant by that statement in the blue book? I think I am quoting it exactly.

Mr. Harkness: The speed of the CF-100 is of course slow in comparison with modern, high speed jet aircraft. Therefore the CF-100 would not be able to catch the later models of Russian aircraft which fly at supersonic speeds. The only way in which the CF-100 could shoot down an airplane of that kind would be by catching it on a collision course, as it is called, when they were coming in toward each other. That is what we mean when we say its capabilities are limited.

Mr. Pitman: Do the interceptor airplanes which have been purchased have the capability of intercepting the modern airplanes which the Russians have?

Mr. Harkness: Yes.

Mr. Pitman: I am interested in knowing exactly how many bombers, flying simultaneously toward strategic air command bases, a Bomarc base could be expected to successfully down.

Mr. Harkness: This is a matter about which I do not think there can be any definite answer. It would altogether depend upon how close together the airplanes were flying.

Mr. Hellyer: And whether the Bomarc had an atomic warhead.

Mr. Harkness: As the hon. member has interjected, and whether the Bomarc had a conventional or an atomic warhead, and many other factors.

Mr. Chevrier: And whether it was obsolete.

Mr. Pitman: My final question, Mr. Chairman, is this. What is the role at the moment of the mid-Canada and Pine Tree lines? Are they expected to pick up those airplanes missed by the D.E.W. line, are they for reporting later positions, or what is the major value of these rather expensive lines?

Mr. Harkness: The Pine Tree line is what you might call the line which directs the Bomarcs and the interceptors. It is the line which is used to engage hostile aircraft coming in over Canada. The D.E.W. line, on the other hand, is a straight warning line to give warning of the coming of these aircraft. The mid-Canada line performs the same function.

Mr. Pitman: I have one other question before I resume my seat. How much of a self contained infantry battalion with all its ancillary arms and services could the air force transport in a single airlift at this time? How capable is the air force of carrying on United Nations operations in this respect?

Mr. Harkness: Mr. Chairman, I could give the committee a great many figures in this respect as to the number of miles flown, the number of trips of different distances, and so on. When the new Yukon long range transports come into operation by the end of this year, they will be capable of transporting a battalion, together with its equipment, at one time. We will have that capability when these transports come into operation by the end of the year. I do not want to convey the impression that we have it at the moment, because the Yukons are not all in operation yet.

Mr. Pearson: The minister has made a plea for responsibility and accuracy in statements on this important matter, and I agree that this is of first importance. I find it difficult not to remind him of some statements which he himself has made and which contravene that principle, including his statement in Victoria as reported that the Arrow would have cost $15 million a plane.

I also wish to refer, because I think it should be corrected, to a statement which was made by the minister last evening and reported on page 8402 of *Hansard* with regard to Liberal policy on air defence and particularly continental air defence. The hon. gentleman said that the policy they have been stating since—"they" being the Liberal party, and "since" being last January—is that we do not need interceptors; we should have only a few airplanes for reconnaissance and identification purposes, but they should not shoot. The minister will have a hard time, I think, finding statements which I have made as the leader of this party since that time which would confirm that statement.

We have said that the number of interceptor squadrons, the number of continental air defence squadrons, should be reduced. I think I said it should be reduced to five or six squadrons. Well, the government itself have done this. They are, I understand, disbanding four of the nine squadrons, so the continental air defence force in this country will consist of five squadrons instead of nine. I do not know whether or not the minister considers that number to be sufficient for the purpose; I do not know whether he considers that to be only a "few" airplanes, but the number has been reduced.

Then we have said that we should not try to deceive anybody, especially our own people, by saying that those squadrons, especially squadrons of CF-100's—because that is what we were talking about at that time—could do anything to protect this country against the kind of jet bomber which now faces us if there should be war; because those particular planes, however effective they may have once been and however skilfully operated, could not intercept the latest jet bombers. The minister confirmed that this morning. So there would be no protection from planes of that kind. They are to be replaced now by a plane which is no longer in production in the United States but which, the minister says, will be effective for this purpose.

We have said, without trying to deceive our people as to what can be done that there should be five or six squadrons—and we shall now have five—of the latest type of planes for reconnaissance, identification, tracking and interception of isolated intruders, capable, if necessary, of dealing with them. This is the only effective role which can now be performed, as we see it, by the R.C.A.F. in this sphere. I am not talking about other important roles on which the R.C.A.F. should be employed.

Then the minister went on to attribute to us the statement that they should not fire. I have more than once in the last six months said that of course any planes being sent into the air for such a purpose would have to be armed, but that they should not be armed with nuclear weapons, because this would be too high a price to pay for bringing Canada into the nuclear club. That is our position on this matter. The minister has been talking about the threat which faces us, and so has the hon. member for Peterborough. The minister has reaffirmed this morning that the Arrow was too expensive a plane for the purpose we had in mind, and I agree with the hon. gentleman that it does not get us much further if we rethresh that old straw. But because I think it is of first importance in assessing this problem, together with what was done and what was not done to solve it, I put on record again the words of the then minister of national defence on February 23, 1959, as reported on page 1280 of *Hansard*, when he said:

> It would therefore not seem to make sense for us to go ahead and develop an interceptor which would be ready by the end of 1961 and which could be in squadron operation by the end of 1962, to meet a threat which would hardly exist at that time.

"That time" is 1962. We are purchasing these planes, or at any rate we are acquiring them from the United States—planes which are new to us but which are out of production in the United States now—to meet a threat which the minister of defence told us some years ago would hardly exist in 1962. That is the position.

As the hon. member for Peterborough has said, we on this side do not know all the facts of the situation. We do not have the

information which is available to the minister. That is one of the handicaps under which we must labour, and we have had no defence committee this year which would enable us to ascertain such facts as were available. The minister said yesterday, and he has said many times, that this was our fault because we were given a chance to debate this subject. And so we were, about a year ago, or ten months or so ago. We were given it at a time when the Prime Minister could not be here, and on a short day. That was to be our debate on defence. The fact that we did not have a debate on defence that day is surely no answer to our criticism that since that time there should have been a committee set up to deal with these matters so that we might get all the facts which are available.

The hon. member for Peterborough asked about some of these things, including the nature of the threat which faces us from the air, the quantity and quality of the bombers and missiles which constitute that threat, and all the rest of it. The minister has said that for security reasons it would be improper for him to give us that information. Well, the hon. gentleman must be the judge of that. We do not quarrel with him on that point. Nobody wants to have information which would prejudice our security, though we do not need to apologize for asking questions. But I would remind the minister, and he must know this, that a great deal of this information is given in Washington including details, in so far as they have been ascertained, of the nature of the bomber threat which faces this continent. Any member of this committee can read chapter after chapter, blue book after blue book of evidence given, for instance, to the house committee on defence appropriations and get a great deal of detailed information which we do not have at our disposal in this chamber. If we did have that information perhaps we should be in a better position to discuss these questions.

I have some detailed questions which perhaps I could address to the minister at this time. They arise out of passages in the blue book which I have before me. I should like to ask what role will be performed in Europe by those four squadrons which are not being converted. The minister tells us that the CF-100 is not now capable of performing the role in continental defence which was given to it. Are the CF-100 squadrons, or they may be Sabre squadrons, capable of performing their role with NATO? Also, with respect to the F-104 aircraft for the new role of strike attack, is it a fact, as stated by experts, including General Foulkes—who of course is not responsible for government policy and is not speaking in any official capacity when he now talks or writes—that the F-104 aircraft cannot perform effectively the role of strike attack without carrying what have been referred to, among others by the NATO commander, as baby nuclear bombs?

Mr. Harkness: Mr. Chairman, the Leader of the Opposition made some complaint about the statement I made to the effect that the Liberal party had withdrawn from the position taken at their national meeting. I am very glad they have, as a matter of fact. According to the newspapers they adopted a resolution at that meeting which, in effect, urged that we should stop wasting our defence resources on interceptor fighter squadrons and on Bomarc missiles, that although the United States with its vast resources and world responsibilities might find these forms of defence necessary there was no reason for Canada participating in that role in these circumstances.

Mr. Pearson: Yes.

Mr. Harkness: The Liberal party went on record as being against having any fighter squadrons. As I stated, the Leader of the Opposition has since modified that position. I am glad he has modified it. I feel he has now adopted a much more realistic position.

The hon. member referred to a statement made two years ago or more by the former minister in connection with the diminishing bomber threat. Whatever might have been said by him at that time, the present situation is that we are confronted with a bomber threat. All western governments recognize that it exists and are taking measures to counter it. Despite what might have been said two years ago or more about anybody's appreciation of the situation at that time, it is at the present situation we must look.

I believe the Leader of the Opposition recognizes that the recent Moscow air show was a demonstration of the fact that the Russians have been continuing to build planes of modern design, contrary to what perhaps might have been thought two or three years ago, would be the situation. Actually the development of the so-called stand-off bomber, the air to surface missile carried by a bomber, has undoubtedly considerably prolonged the useful life of bombers. That is one reason that led to a considerable modification of the thinking of two or three years ago in regard to bombers.

The Leader of the Opposition wished to know about the role of the CF-100 in Europe, the four squadrons which are not being replaced by F-104's. SACEUR has requested that these squadrons remain there for at least two more years to meet an existing need. As far as the strike reconnaissance role of the

F-104 is concerned, both SACEUR and the NATO council have asked Canada to assume this role with respect to the eight squadrons presently armed with Sabre aircraft which are now to be rearmed with the F-104. We have met that request.

The Leader of the Opposition asked if they would not be useless in that role unless armed with nuclear weapons. I believe that was the purport of the hon. gentleman's question.

Mr. Pearson: Yes.

Mr. Harkness: That is not the case. They could be armed otherwise and be effective to some extent, but there is no question but that they would be much more effective if equipped with nuclear warheads, just as in the case of the Bomarc and other weapons systems which are capable of carrying nuclear warheads. I think this is not an arguable matter. If you have a conventional warhead which has a force of one, and a nuclear warhead of the same size which has a force of one hundred, the nuclear warhead will be very much more effective. That is a plain fact. The situation with respect to F-104's is that they would be much more effective and destructive weapons if armed with nuclear warheads rather than conventional rockets.

Mr. Pearson: Mr. Chairman, may I thank the minister for the information he has given. He has stated, and undoubtedly it is a fact, that while the former minister of defence spoke in 1959 and said the bomber threat would not likely exist to any extent in 1962, that situation has changed. A major factor which led the government to the decision it made in regard to air defence in 1959 turned out to be wrong in that the bomber threat, according to the minister, does exist, and it exists in an aggravated form perhaps because of what the minister has called the stand-off bomber by which a missile can be carried and let loose on a target, we have been informed, up to 1,000 miles away.

There is a difference of opinion on that. The minister says that range is too high. The information we have received indicates that if it is not now the range, it will be shortly. This, of course, establishes an entirely different set of conditions for continental defence against the bomber. The threat comes no longer from the bomber but from the missile which is capable of being discharged from a bomber at a distance of from 400 to 1,000 miles away from the target.

Presumably the government has had to modify its policy to meet that changed situation, and modification is a good thing when conditions change. I wish to assure the minister, however, that this party has not changed its policy with respect to continental defence, to which the minister made reference. We have not changed our minds. We should not be engaged in continental defence with the United States continental air defence command in a way which would necessitate Canada becoming a member of the nuclear club.

That, of course, applies both to interceptor squadrons and to the Bomarc missile. If it were felt on this side of the house that such weapons were absolutely essential for the protection of this country, this continent and the strategic air bases, that perhaps would not be too high a price to pay, although it would be very high. But this is not essential in our view, and therefore we should not be performing this role. While we would advocate a fighting role in the sense that the planes would be armed and in the sense that Canadians could not allow Americans to do the fighting and shooting for them, Canada's role should not be a fighting role, in the sense that the planes need not be armed with nuclear weapons; because we do not think that this would be necessary in view of the changing nature of the threat; if such a threat is going to make Bomarcs and other weapons of that kind ineffective very shortly if they are not ineffective now.

That is the situation, and we have not modified our stand in that regard. I have made it quite clear, however, that we think the squadrons the R.C.A.F. should have should be the most effective and efficient that can be secured in terms of equipment, and they certainly should be in a position to defend themselves.

With respect to another question I directed to him, the minister said that while the F-104 could perform a role without what are described as baby nuclear bombs, that role would not be of maximum effectiveness without such nuclear weapons, and we can leave it at that.

Mr. Harkness: Mr. Chairman, in view of what the Leader of the Opposition has said about stand-off bombers, the size and range of the missiles which they might discharge and so on, and in view of what was said yesterday about them, I think I should quote an extract from page 12 of the testimony of the secretary of defence of the United States before the subcommittee of the committee on appropriations in April of 1961. This was his statement at that time:

> Also under development is a more advanced air to ground missile, the Skybolt. This is a solid fuel ballistic missile with a design range of about 1,000 miles. Whereas the B-52 can carry only two Hound Dog missiles, it would be able to carry four Skybolt missiles. The successful development of an effective Skybolt missile would offset the

expected increase in Soviet air defence capabilities by increasing the effective attack radius of a B-52 and the penetration capability of its weapons, as well as increasing its ability to launch stand-off attacks on multiple targets. However, the Skybolt is a costly project and presents some unusually complex development problems. Even if the development is successful, it would take several years to bring it to operational status.

The hon. member for Trinity contended yesterday that this missile was in existence or would exist shortly, but the fact is that it does not exist. As the United States secretary of defence says, it presents a very difficult development problem, and even if the development is successful it will be several years before it will be in operation.

Mr. Hellyer: I thank the minister for that explanation. As he probably realizes, elsewhere in the same testimony it is indicated that the total SAGE-Bomarc system will not be in operation in its entirety for several years either, and the time lapse, if that is the proper term for it, is approximately the same in each case.

If I understood the minister correctly, he indicated that the bomber threat is more substantial than it was two or three years ago. He told us the night before last, I believe, that he did not say it was not diminishing, but this morning he gives the impression that the facts today are different from what they were then, and that as a result of the facts existing today the government should take some action to meet this threat even though earlier it was not considered to be required.

If the threat is greater today than was anticipated, why are the government only acquiring 66 planes, when earlier their appraisal was somewhat different even on the basis of their then belief that the bomber threat was not so great? As found on page 1281 of *Hansard* for February 23, 1959 the former minister had this to say:

We therefore concluded that the maximum number of aircraft that we would require to meet the threat would be approximately 100 . . .

If the threat is greater now, or is interpreted by the government as being greater now, why will 66 planes do more work now than 100 planes were estimated to be able to accomplish at that time?

Mr. Harkness: There is no magic in the figure 66 or in the figure 100 in connection with this particular matter. The important point is that with the "Sageing" of the whole NORAD system, which incidentally will be completed in 1963, the means of employing the Bomarc chain and the interceptors of both the United States and Canada is very greatly improved, and therefore the capability of the whole system is much higher than it was two years ago or three years ago. It has been constantly improved every year, in fact, and the ability of the system both to detect and then to direct on hostile intruders either Bomarc missiles or interceptor planes has been getting better and better all the time.

Therefore, as I say, there is no particular magic in 66 planes or 100 planes. You have an integrated system making use of the air defence command of Canada and the air defence command of the United States under the operational control of NORAD, and with constantly improving methods of employing those forces in order to destroy intruder aircraft.

Mr. Hellyer: With respect to the cost of operating the Pine Tree line, the minister told us this morning that the committee would have to accept the figures prepared by responsible officials of the Department of National Defence. Can the minister explain the discrepancy between the figures prepared by responsible officials of the Department of National Defence on a previous occasion and those given to the committee this morning?

Mr. Harkness: I do not know what previous occasion is referred to, Mr. Chairman.

Mr. Hellyer: I am referring to the time his predecessor gave figures to the committee on defence expenditures, which presumably were also prepared by responsible officials of the Department of National Defence.

Mr. Harkness: I think where the confusion exists with regard to this matter perhaps lies in the fact that General Pearkes quoted a figure of $43 million which, to begin with, included $5 million for equipment to be purchased in Canada. This equipment was new radars. Therefore the actual cost of operation and maintenance was $38 million. However, the $38 million covered not only those radars but also the radars in Newfoundland, the gap fillers and so forth, the nine group one radars and all their associated gap fillers. They were not included in the 11 that we have taken over and the five which we have been manning already, and for which we have assumed financial responsibility.

Mr. Hellyer: Can the minister say who is paying for the new heavy radars that are being built?

Mr. Harkness: This is part of a general cost sharing program of one third to Canada and two thirds to the United States. We are doing the construction as our contribution to the cost.

Mr. Howard: Mr. Chairman, I have listened with great interest to the discussion so far this morning, and have attempted to follow

the minister's comments and statements. In order to have the matter clear perhaps I might give my understanding of his reasoning, and if I am in error in my interpretation of what he said he can correct me.

With respect to the use of the Bomarc, the Voodoo or CF-104 as I believe it is to be called, and perhaps even the Honest John surface to surface missile, I understood him to say that the greatest deterrent that exists to a war being started or visited upon us by enemy forces is if we have a sufficiently strong defence, and that the stronger our defence the greater is the deterrent to attack from other countries. If that is a correct understanding of what the minister said—

Mr. Harkness: It is the retaliatory forces.

Mr. Howard: This is what I want to get clear. It would seem to me that our defence and the deterrent is not the Bomarc, the rifle or the Honest John or any other kind of small, tactical weapon of that sort. The deterrent, as the minister has just stated, is the threat of retaliation, which is not something that Canada has. As I understand it, this threat of retaliation rests primarily at the moment in the United States strategic air command. The defence is really one of threatening to bomb the enemy country and do as much damage or more damage than the enemy expects he will be able to do to this country.

If that is a correct understanding, and I thought I had it correctly, then it seems to me that in view of what the minister told us on Wednesday, that NATO is and in fact has been since 1954 a nuclear element, operating on somewhat the same principle of retaliation as a defence more than anything else, Canada really is part of the nuclear club in NATO. It would seem to me that Canada is already part of the nuclear forces on the North American continent, whether or not we have such weapons in the hands of Canadian troops and on Canadian soil. It would seem to me that following this, whether we are in possession of the Bomarc with nuclear warheads or without them, or the Honest John or any other type of rocket with or without nuclear warheads, it really does not matter very much so far as being a deterrent to attack is concerned, because the deterrent rests not in our hands but in the hands of the United States strategic air command.

This is what makes incomprehensible to me the recent statement by the Leader of the Opposition that the acquiring of nuclear warheads by Canada is almost too high a price to pay, regardless of the circumstances, for some sort of defence. The defence rests in the possession by the United States of nuclear and thermonuclear bombs and in the threat of retaliation, the threat of destruction to other countries. It seems to me that following from that Canada is in precisely the same position on the North American continent as we are in Europe with the NATO forces; that is, that we are already a part of the nuclear club whether we like it or not, and whether or not we have nuclear warheads on Canadian soil attached to Bomarcs or anything else is relatively inconsequential.

The point in so far as the deterrent is concerned is that it is not our deterrent, it is not Canada that is threatening retaliation. The only deterrent that exists, as the minister has said, is in United States miltiary forces that are threatening this sort of retaliation. This is the only defence which exists and is the greatest deterrent to attack. I think we can assume that the same situation applies to the Soviet union. This is substantially their defence or offence policy, whichever way you want to classify it. Any other nation that comes, by its own right or through development, into possession of nuclear weapons will fall into almost the same category.

It would seem to me that the very moment we endorsed the NORAD treaty, which was supported by the Liberal party in this house, we in fact joined the North American nuclear club. Those are forces in the control of or under the domination of the nuclear deterrent in the United States. This makes me wonder even more whether the minister and the Liberal party when they were in office—because the development of the nuclear deterrent was in process then, and it was during their term of office that NATO followed nuclear strategy and the NORAD agreement was spawned and finally came to fruition—were telling a completely factual story of Canada's position in so far as North American defence is concerned. I think it would be much more in keeping with our sense of responsibility to the electorate if the government would make a clear, definite statement as to just precisely where Canada stands.

It is my interpretation, following from what the minister has said and in this I may be incorrect, that Canada is in fact a participant in a nuclear agency, NATO. If that is the case, and I take it that it is, it seems to me also that Canada is a participant in another nuclear agency, namely that of the United States, primarily through our participation in NORAD. If these are the facts then they should be stated clearly to the Canadian public. There should not be any of this nonsense, and I term it nonsense in retrospect, of people in high places in this government talking about no nuclear weapons in the hands of Canadian troops; no nuclear weapons on Canadian soil, then changing

later to say that there might be, depending on what arrangements we can work out with the United States and depending on what congress does with certain laws that exist down there. In my opinion this is all just a lot of double talk on the part of the government. If my interpretation is not correct, then I should like the minister to straighten it out.

Stated again, not for repetition only but just so it is clear, it is my understanding following upon what the minister stated that Canada really has no defence in terms of being a deterrent to attack; that that sort of defence of deterrence and prevention of invasion or attack by another country rests on the retaliatory force of the United States, primarily their bomber squadrons in the strategic air command; that Canada, particularly as a participant in NORAD, is in almost the same boat as she is in NATO, and that is that we are participants in a nuclear agency because we have in fact joined forces with the United States and its military forces.

If my interpretation is incorrect, I should like to have the minister clear it up. If it is correct, then I think a clear, unequivocal statement should be made to the Canadian public so we are not led down the garden path by the Prime Minister or anybody else talking about "no nuclear weapons on Canadian soil as long as I am Prime Minister", and all this other business.

Mr. Harkness: First of all, the Prime Minister has never made any statement along that line. I do not think the hon. member should be making allegations of that kind without producing any proof of them whatever. I certainly have never seen or heard of any declaration along that line by the Prime Minister at any time.

I should like to make it clear that the deterrent consists of several elements. The deterrent is not merely the nuclear capability of the strategic air command of the United States, their intercontinental ballistic missiles, their Polaris submarines and the V-bomber force of Great Britain. These are the nuclear parts of the deterrent. They are the part of the deterrent which would respond to or retaliate or actually deliver nuclear weapons to Russian territory if the Russians attacked us. But the deterrent is made up of much more than that. It consists of all the defensive air measures which we take in order to ensure that as few as possible enemy bombers would be able to reach targets in the NATO countries. It consists also of all of the conventional forces. It consists of all the naval forces. In other words the entire military forces of the western world constitute the deterrent, not just the one part of them which would be used to drop bombs. It is an integrated whole. The greater the strength of the armed forces as a whole, the greater the deterrent power we have and the more unlikely it is that the Russians would start a war.

That is the basic situation as far as the deterrent is concerned. You cannot isolate one part only and say it is the deterrent. If you had the SAC air force and some intercontinental ballistic missiles only and had no conventional forces to protect them, and no interceptor aircraft, radar warning lines and so forth, they would not last very long and they would not constitute very much of a deterrent. Actually the deterrent is not only what you have in peacetime but what the enemy think you will have left after he actually attacks you. This is where the striking part of the deterrent becomes so important.

The hon. member said that we had placed our forces under the control of the United States by entering into the NORAD agreement. As I have made clear in this debate and on many other occasions, this is not the case. The NORAD agreement was a means of co-ordinating the air defence command of Canada and the air defence command of the United States in order to get the quickest possible reaction time to any threat. In the event of attack it provided for operational control of these defence forces by a co-ordinated headquarters in which the commander is a United States general and the second in command is a Canadian air marshal. When the commander, General Kuter, is away from the Colorado Springs headquarters, as he is quite frequently, Air Marshal Slemon is in full command of the NORAD operation.

No control of Canadian forces has been given to the United States by entering into this agreement. It is a mutual undertaking. As I say, command is exercised by officers of both countries. At the headquarters in Colorado Springs, as is realized by those who have been there, there are officers from both countries and they are doing all kinds of different jobs. It is a fully integrated headquarters, with no distinction being made whether it is a Canadian in a particular job or whether it is an American. There is a good deal of changing around in the jobs from time to time as people's tours of duty come to an end and other people replace them.

I think the Prime Minister and I myself have been quite clear and quite plain in stating what is the position of Canada in connection with NATO, the NORAD agreement and the defence situation generally. I therefore think there is no justification for any allegations of double talk on the part of the government with regard to these matters. These are serious matters. I have made every effort to try to keep the public

informed as well as I could as to what the situation was, at least as I saw it.

Mr. Matheson: I wonder whether I could ask of the minister a very short question arising out of a story appearing in the London *Times* of September 9. Under date of September 8 from Ottawa the correspondent of the *Times* says this:

> But what is particularly in people's minds here now is whether Canada will be forced to accept nuclear warheads for her Bomarc missile weapons in Ontario and Quebec . . .

I wonder whether I might respectfully ask the minister if he could give us an answer and call it one o'clock, or perhaps he has an immediate answer?

Mr. Harkness: I presume this is an article by some correspondent, Mr. Chairman. I do not know what answer I can give to it. This is speculation. I can see no answer that I can give to speculation on the part of a correspondent of the London *Times*.

Mr. Pickersgill: Before you call it one o'clock, Mr. Chairman, perhaps I could ask the minister one question to which he may reply after one o'clock or perhaps immediately, as it is a very simple and direct one. Can the minister tell us whether there is in existence, awaiting signature by the government of Canada, a draft agreement for the joint control of nuclear weapons?

Mr. Harkness: I am sorry to disappoint the curiosity of the hon. member.

Some hon. Members: Carried.

The Deputy Chairman: Shall vote 239 carry?

Mr. Hellyer: No, Mr. Chairman. Would you be willing to call it one o'clock, or would you prefer another question at this time?

At one o'clock the committee took recess.

AFTER RECESS

The committee resumed at 2.30 p.m.

The Deputy Chairman: Order. Shall vote 239 carry?

Mr. Hellyer: Mr. Chairman, would the minister indicate whether the department did try to obtain an off-the-shelf price for the Voodoo aircraft, and if so, how much was it? Was it a cash price?

Mr. Harkness: Mr. Chairman, we did not ask for any off-the-shelf price in regard to this airplane. The cost of the airplane to the United States government was in the neighbourhood of $1.6 million a copy, I believe. That was a fly away price, without any spares, supporting equipment and so forth.

[Mr. Harkness.]

Mr. Hellyer: Could the minister say with what missile the Voodoo will be equipped?

Mr. Harkness: The Falcon missile.

Mr. Hellyer: Will that be the only missile it will carry?

Mr. Harkness: No, the Voodoo can carry another type of missile, the MB-1, which is a nuclear weapon. The Falcon is a conventional warhead weapon.

Mr. Hellyer: Will it carry the Sidewinder as well as the Falcon?

Mr. Harkness: No.

Mr. Hellyer: Will the hardware on the airplane be such that it will take the MB-1?

Mr. Harkness: That is what I said a minute ago. It can carry the MB-1 as well as the Falcon.

Mr. Hellyer: And that hardware will be on the airplanes which the R.C.A.F. is securing?

Mr. Harkness: We are securing Falcons for the airplanes.

Mr. Hellyer: I think the minister understood what I was asking for. That was, whether or not the attachments from which the other missile would be launched would be on the airplane as procured.

Mr. Harkness: Yes. Perhaps I might explain that these missiles are launched from the airplane on a sort of table which can be turned. On one side are the attachments for the Falcon and on the other side are the attachments for the MB-1.

Mr. Garland: Mr. Chairman, I wonder if I might bring a matter to the attention of the minister very briefly, and perhaps down from the high level of international commitments to the level of the local taxpayer, and specifically the taxpayer in my district.

The problem arises from the defence installations now being constructed in our area; in particular, SAGE at the Trout lake site. Early last year there was an announcement, as a committee will recall, that 200 homes would be built in that area to accommodate personnel at this military installation.

Some discussions have taken place among the local municipality, the local school board and the minister's department. I have here a letter dated May 19 this year from the chief of air staff to Mr. A. J. Norman, business administrator for the township school area of Widdifield. One passage of this letter reads as follows:

> On the basis of 200 additional homes this could mean a requirement for Widdifield township to accommodate 340 elementary pupils—

The letter then goes on to deal with high school pupils, etc. The situation is that our

municipality, like other municipalities, is very heavily burdened, particularly in the field of providing facilities for education. To point up the problem, last year when we were examining the estimates of the Department of Public Works the minister indicated, as reported at page 6853 of *Hansard* for June 21, that the total housing requirement would be 575 units. On the basis of the figures of the Department of National Defence this would indicate a requirement for accommodation for almost 1,000 students at the elementary school level. The department is using—I was going to say "hiding behind"—the contention that the responsibility rests upon the local authority. Here again I should like to quote these words from a further letter from the chief of the air staff to the business administrator in the area:

> However, as the proposed 200 additional housing units will not be constructed on federal property, the financing of providing and maintaining any additional school facilities for the occupants of those units is regarded by this headquarters as the responsibility of the municipality or township, in exactly the same manner as for other new civilian property ratepayers not necessarily employed by the R.C.A.F.

This is all very fine, and the department can retreat behind regulations of this type but, surely, the wise administration of any department calls for a high degree of common sense. Surely, in the light of the developments which are taking place in the area there is need for a further look at situations of this kind. As I said, we have been pursuing this subject with the department. My purpose in bringing the matter to the minister's attention today is to soften him up, because this problem will have to be met. The construction of 200 homes was announced last year. A second announcement later in the year spoke of 575 homes. The minister will correct me if I am wrong, but I believe current plans call for something in the order of 350 homes, 100 of which may be out for tender this month. There is another group off the station property itself and a further, third, block making up a total of some 350 homes which will probably be occupied by the end of 1962. Without pursuing the matter further here and delaying the committee, may I say that I hope the minister can tell us the exact requirements of the department as far as housing in this area is concerned and give us some assurance that representatives of his department will meet with our board to deal with this important problem.

Mr. Harkness: Two types of housing are being referred to here. The first concerns the houses on the station itself and, of course, we have provided a school and are looking after the education of the children occupying those houses. Then there are the houses being built in the town under a rental housing agreement just as there are low cost housing developments in various other cities across the country under the central mortgage and housing corporation. The houses which are being built in the town are being built so that they may be rented to the people who will be working at this station. They are in the same category as houses built for rental in other places. Taxes will be paid with respect to them, and these taxes contribute to the upkeep of the local schools and other facilities. As a result, the children of the people who live in the houses are entitled to go to the local schools.

Mr. Garland: So that there may be no misunderstanding about this, let me say that what the minister has told the committee is correct as far as it goes. But only a small portion of the homes to be built in the area is being built on national defence property. The great bulk of them will be built in the small local municipality, which has just completed an extensive program of providing new school accommodation and which may now be faced, according to the figures which are available, with the cost of providing school accommodation for a thousand additional students. I hope the minister will bear this in mind because the situation cannot be passed off as being the same as a situation arising from a housing development of any other kind. This burden has been dropped in our laps to accommodate the people who are to be absorbed by this defence installation. Some consideration will have to be given to assisting in the provision of the capital cost of providing these facilities and I hope the minister will bear that in mind when we pursue our representations in this regard.

Miss LaMarsh: There is one matter which I should like to raise with the minister. It was referred to me by a constituent, formerly a member of the R.C.A.F., who was stationed at the air station of St. Sylvestre, near Quebec city. I am not altogether familiar with the arrangements laid down for what are called non-public funds but I understand they are funds in the nature of canteen funds and the like. A number of projects are set up which give servicemen an opportunity to earn extra money and do interesting work in their leisure hours. I think that this is perhaps a good way of keeping the men interested and giving people associated with the service certain amenities which perhaps otherwise would not be available.

However, my informant advises me that in the air station at St. Sylvestre, which is one of the Pine Tree Stations, there is not only a

gas station where n.c.o.'s are employed full time to pump gas but also a grocery store where a flight sergeant, who is paid flight sergeant's pay, operates full time. I am also told that there is a snack bar and gift shop which, until recently, has been operating full time staffed by service personnel, in addition to a post office which was formerly operated by a civilian but which has recently been taken over by air force personnel. Most of these men, I am told, are skilled tradesmen in receipt of trade pay in addition to their regular pay and allowances as members of the air force but they are not performing air force duties, nor are they working at trades for which they receive extra remuneration.

My informant advises me that one of the reasons for this situation is that the chief administrative officer is in charge of the non-public funds and is responsible for detailing men from various sections to take jobs in connection with the non-public funds amenities available. This strikes me as being an improper practice. I cannot myself take responsibility for all these facts because I have not been in the area myself. However, my informant was stationed there and he tells me this has been going on for a protracted period. I should like the minister to tell us whether this is a proper practice or not, and how this situation has come into being. If it is not a proper practice perhaps he would have an inquiry made.

Mr. Harkness: The regulations of the R.C.A.F. in this regard are very strict. No R.C.A.F. personnel are to be employed in non-public fund operations in duty hours. If they are being employed, they are being improperly employed. I do not know what the situation is at this particular station at St. Sylvestre. I have never heard any complaints of this nature with regard to the station before, but I shall have an investigation made and see if there is any validity in these allegations.

Mr. Hellyer: I wonder if the minister could tell us whether any of the CF-100 squadrons presently under air defence command will be retained in service or whether they will all be phased out as the Voodoo comes into service.

Mr. Harkness: It is intended to retain some of the CF-100's in the electronic warfare school and for some other purposes, but not as interceptors.

Mr. Hellyer: Not as complete squadrons?

Mr. Harkness: No.

Mr. Hellyer: The minister indicated this morning that the squadrons overseas equipped with CF-100's would remain in service until the end of 1961 or 1962, I believe.

Mr. Harkness: 1963.

Mr. Hellyer: Could the minister say whether he has any plans to replace them at that time and, more particularly, with the F-101B?

Mr. Harkness: No definite plans have been worked out as to what action might be taken to replace the CF-100's at that time.

Mr. Hellyer: With respect to the F-104 could the minister say when the first squadrons will be posted overseas?

Mr. Harkness: In November of 1962.

Mr. Hellyer: Have arrangements yet been worked out with the government of France for their operation from French air bases in the event they are equipped with atomic arms?

Mr. Harkness: No, Mr. Chairman.

Mr. Carter: Mr. Chairman, I was waiting for the appropriate item to be called but since I have been given the floor I should like to say a few words in praise of the R.C.A.F. While attending the war memorial celebrations in France last July I had an opportunity to make a brief visit to the air base at Marville. I was very much impressed by the way this unit was being run. I am sure the people of Canada have every reason to be proud of the R.C.A.F. units which are representing Canada overseas.

We were conveyed back and forth by the R.C.A.F. jet transport. At this point I should also like to say a few words of appreciation of that unit. We were treated with the utmost courtesy and consideration and were provided a meal in transit which compares very favourably with meals provided on commercial aircraft. When we reached the end of our journey we were provided with a card on which we were asked to note our suggestions concerning improvement of the service and I was unable to think of any way in which it could be improved.

Mr. Hellyer: Mr. Chairman, I should like to join with my hon. friend in that tribute. We have an air force second to none. It is too bad that it has had to go so long since the proud days of 1955 and 1956 without new equipment. We also regret, as said before, that it is undertaking a new role of strike reconnaissance rather than having ground support fighter aircraft to back up the Canadian troops there.

Could the minister say what types of helicopter are being obtained by the air force and what they have available in Europe for support of the army when required?

Mr. Harkness: The R.C.A.F. is obtaining some Vertol helicopters. This is a medium to heavy helicopter which will be used, particularly in Canada, for search and rescue. They are obtaining also, of course, some light helicopters.

Mr. Hellyer: Is the Vertol the twin rotor helicopter that looks like an inverted banana?

Mr. Harkness: It is the Vertol-107. I cannot say anything with respect to the description of an inverted banana. I think most helicopters look somewhat like that.

Mr. Hellyer: Could the minister indicate the type of light helicopter the air force is obtaining? Is it the same one the army is receiving?

Mr. Harkness: Yes.

Mr. Garland: Could the minister tell the committee if the figures concerning the completion of homes used in the schedule to which I referred are in agreement with the latest figures he has available? I purposely delayed pursuing that to give the officials an opportunity to check it.

Mr. Harkness: I have not yet received those figures but I shall give them to the hon. member in a few moments.

Mr. Hellyer: The minister indicated earlier today that most of the air transport aircraft would be in service by the end of this calendar year. Can the minister say how many of those currently on order will be available by then, if any?

Mr. Harkness: The Yukons have all been delivered. They are undergoing flight testing and so on. I believe I said that they would be in full operation or full squadron use by the end of the year.

Mr. Hellyer: Has the minister any plans to augment the transport command beyond those presently funded?

Mr. Harkness: We have some projected plans but nothing has been definitely authorized so far. Of course, the retention of the North Stars in service which was announced this week means that the whole transport capability of the R.C.A.F. is now very much greater and will continue much greater than it has ever been before.

Mr. Hellyer: Will the minister explain to the committee how the Caribou aircraft which was purchased in haste and delivered under such pressure by the de Havilland aircraft company for use in the Congo wound up in the Gaza strip?

Mr. Harkness: All I can say is that in the final analysis it was decided they were not needed in the Congo and the United Nations wanted them in the Gaza strip.

Mr. Hellyer: Can the minister say whether any Canadian minister wrote the Secretary General of the United Nations asking that the Caribou be used only by Canadian troops and received the reply that that was not a condition satisfactory to the United Nations?

Mr. Harkness: I cannot say that, no.

Mr. Hellyer: Now that the Prime Minister has entered the chamber perhaps I could address this question to him. Can the Prime Minister say whether any representations were made on behalf of Canada to the United Nations that, first, the Caribou aircraft be used only by Canadian troops in the Congo or, second, that Canadian troops be given a preference in their use over other troops, and was this condition rejected by the United Nations? Is that the reason the Caribou aircraft were not used in the Congo by the United Nations forces?

Mr. Diefenbaker: Mr. Chairman, I cannot add anything to what has already been placed before the committee by the Minister of National Defence.

Mr. Hellyer: Can the Minister of National Defence explain then why he would require employees from an aircraft company to give up the week which had been set apart for their holidays and to rush back to the aircraft factory to deliver aircraft which sat on the ramps at Trenton for weeks or months before they were used for anything?

Mr. Harkness: All I can say is that the situation in the Congo, as all hon. gentlemen opposite are well aware, has been changing very rapidly from week to week and in some cases, in fact, from day to day.

Mr. Pearson: It is a fact then, is it, that the Canadian government made no representations to the United Nations with regard to the use of this particular aircraft?

Mr. Harkness: Well, Mr. Chairman, if any representations were made they were not made by me.

Mr. Hellyer: I think that is correct. Perhaps the minister would not care to disclose whom they were made by—

Mr. Harkness: I did not say they were made. I said that as far as I am concerned none was made.

Mr. Hellyer: I said I believed that. Would the minister indicate why, at a time when we are under such pressure and tension and it is the policy of the government to expand the auxiliary forces and to train 100,000 new men for civil survival purposes, it is also

the policy of the Department of National Defence to disband existing auxiliary squadrons of the R.C.A.F. which, although they have had a different function in the past, might conceivably be converted to carry out some useful civil survival role?

Mr. Harkness: The R.C.A.F. auxiliary squadrons, the disbandment of which was decided upon over a year ago and which has been going on for some considerable time, were aircraft warning and control squadrons whose function had disappeared. There was no other function that could be assigned to them at the present time and therefore in the interests of efficiency and economy the only thing that we really could do was to disband them. We were very regretful about having to disband these squadrons but there was really no function that could be given to them which would have added to the defence strength of the country. That was why, very regretfully, the decision was arrived at to disband them.

Mr. Hellyer: On the basis of this theory of efficiency and economy, would the minister explain why one branch of the armed services is discharging people and disbanding units at the same time that other branches of the armed services are recruiting and training for other roles? Presumably there might be a possibility of retraining or readaptation.

Mr. Harkness: All I can say is that we would be very glad to welcome all of the members of the squadrons being disbanded into the survival operations and the militia who are carrying out that role. The point is that the survival role in Canada has been given to the army and the militia is carrying a large part of the load in that regard. It is for that reason that we are giving special militia survival training to 100,000 men in order to increase the number of men available with training in survival operations. It would not be a reasonable proposition to be trying to give some sort of role to an air force squadron here, there or some place else when these squadons operate in a completely different manner.

Mr. Hellyer: Apparently the minister has not achieved that state of integration yet in the Department of National Defence under which men can be transferred from role to role as required.

Mr. Harkness: As I said, these men can transfer quite readily into the militia units. We would be glad to have them.

Mr. Hellyer: The minister will recall that when the BMEWS was first put into operation an alleged false alarm was reported in the newspapers. Can the minister say whether there have been any recurrences of this type of occupational hazard and can he give the committee any assurance that there are adequate precautions so that a general alarm would not result?

Mr. Harkness: I think the short answer to that is that it was an alleged false alarm but it was not actually a false alarm.

Mr. Hellyer: That was the exact phrase I used. I assume from the minister's answer that he is confident that a false alarm cannot in fact occur.

Mr. Harkness: I am confident that it is extremely unlikely it will occur. Whether it is completely impossible for it to occur I am not competent to say. I feel quite certain, however, that no matter what the particular radars or recording screens might happen to show with regard to such an instance it would be well checked in other ways before any action was taken.

Mr. Hellyer: Has the minister received any representations from Canadian personnel serving at Goose Bay in respect of the allegation that they are required to use other than Canadian legal tender to make purchases at the United States air force base there?

Mr. Harkness: I have no information on that.

Mr. Hellyer: Would the minister agree to look into that situation? I have received representations to the effect that since the Canadian dollar was devalued payment not only at the PX but other local stores is required to be made in United States funds and the Canadian civilians feel that this is an infringement of their rights and probably of their pride and pocketbooks as well. Would the minister undertake to investigate and see if the situation can be corrected?

Mr. Harkness: Yes, I will be glad to.

Mr. Pearson: Mr. Chairman, the minister knows, of course, that the situation in France with regard to the use of French bases for American air equipment with nuclear weapons is such that these bases are not now available to the United States air force. Has there been any indication of a change in that situation that he may know about and has he any reason to believe that the French government will adopt a different position with respect to the Canadian air force if that air force should be equipped with nuclear weapons?

Mr. Harkness: I am not aware of any change in that position except that I noted in the newspapers the other day that some French units were going to be trained by the Americans in the use of nuclear weapons. This might well portend a change but I do not know.

With regard to the number of rental units and housing units generally at North Bay, may I say to the hon. member for Nipissing that there are under consideration 100 permanent married quarters for the station. Two hundred rental units have been approved and a further 200 rental units are under consideration.

Mr. Carter: I should like to ask the minister to clarify the statement he just made in reply to the question about an alarm. The impression I got from listening to the minister's reply was that it was a genuine alarm and if that was not the case I think it should be made quite clear on *Hansard*.

Mr. Harkness: The actual situation was that the system was really under test at the time. It had not been taken into full operational use. They began to get reflections from the moon, I believe it was, and this information was of course passed down the line. The way it was portrayed in the newspapers, however, made it appear that it was interpreted as an actual attack and that it was just by a hair's breadth that retaliatory action was not ordered. All that part of the story was completely incorrect.

Item agreed to.

Defence research and development—
Defence research board—
241. Operation and maintenance, $24,993,564.

Mr. Hellyer: I should like, first of all, to reiterate what I have said on previous occasions that it is my opinion Canadians are very fortunate in obtaining from the defence research board probably more results for the dollars expended than any other people in the western world. The achievements of this board have been remarkable for the size of the group and the amount of money expended. I should like the minister to indicate whether or not the financial support they are receiving at the present time is greater than in the past or whether he plans to enlarge it and make sure that this extraordinarily fine group is given every possible support in its work.

Mr. Harkness: The amount of money being voted, as is shown in the estimates book, is approximately the same this year as last year. There is no question about what the hon. member has said in regard to the achievements of the defence research board. They have done a remarkably fine job and they are a remarkably good group of scientists. This is an activity of which we can be proud. The board has made great contributions to the defence of this country and of the whole western world and is continuing to do so.

Mr. Carter: Mr. Chairman, I should like to join with my colleague, the hon. member for Trinity and the minister in paying tribute to the defence research board. I have always had a very special interest in research, particularly in scientific research. Looking back over the years, it seems that the time has come when we should take a good, hard look at our policy in regard to defence research. I have done a little homework in this connection, and I should like to place a few figures on the record. In the year 1950-51, the expenditures on research and development were $23.4 million; in 1951-52, they were $35.4 million; in 1952-53, approximately $43 million; in 1953-54, approximately $41 million; in 1954, approximately $50 million; in 1955, $64 million; in 1956, $69 million; in 1957, $78 million; in 1958, $74 million. Then, in 1959, the figure dropped to $39 million.

All the figures I have mentioned so far have been taken from the public accounts and they are the actual expenditures on research and development. The two figures I want to mention now are estimates taken from the blue book for last year and for the item that is before us at this moment. In 1960, we voted $44.7 million and this year we have in the estimates a vote of just over $45 million. It seems to me that these figures show that since 1958 there has been a significant drop in the amount of money we are allocating to research and development. If we look back over the figures we see there is a steady increase from the $23.4 million in 1950 up to $78 million in 1957, then $74 million in 1958, while in 1959 the figure drops to $39 million and last year and this year is around $45 million. If we add the amounts for the last two years together, we only get a little more than the average of what we have been spending.

It seems to me we are reducing our expenditures on research and development at the very time when we should be increasing them. If there was need to increase them from 1950 to 1958, surely since 1958, with the world situation steadily deteriorating and with an ever-increasing emphasis on scientific development, we cannot hope to keep abreast of the times if we are going to drastically reduce the amount of money we allocate for this purpose. It is all right to praise the achievements of our defence research board, but we cannot expect them to make bricks without straw.

I should like to point out to the minister that the dollars we are giving them today are depreciated dollars. The dollars we are giving them this year have 20 per cent less purchasing power than the dollars we gave them in 1950. We are giving them fewer dollars and a smaller dollar with which to

work. We cannot expect them to do credit to Canada or even to their own establishment if we are not going to provide them with the money to enable them to carry on this work.

The minister said in his statement, I think, that the activities of the defence research board would be co-ordinated with industry. I heartily agree with that policy. I think there should be even more co-ordination. I should like to see some authority set up to co-ordinate all research in Canada. We have so many departments now, and practically every department has some research being conducted. Whatever research we may do in defence will always have, for the most part I think, some application in industry. A country like Canada, so dependent upon export trade, certainly should be placing the greatest emphasis on research and development. We should be following the examples of little countries like Switzerland and Sweden who have developed products and techniques that have enabled them to compete with other countries to compensate for their small domestic market.

Let me cite one example, alloys. Alloys are of the utmost importance in defence, particularly with the new weapons and rockets that are coming into use every day. Alloys are of extreme importance in industry as well, in our construction industry and in practically every product of which we can think. I should like to see Canada specialize along certain lines. I understand we have been doing something with regard to equipment for northern climates and also with regard to electronics. It seems that we have been able to take a lead in the electronic research. I realize our resources perhaps are small. But surely here is an opportunity worth embracing. I urge the minister to take another look at this policy and to provide more funds for this extremely important work.

Mr. Harkness: The amount of money spent in research has gone up steadily year by year. The hon. member has taken the two votes together or rather he has taken the two votes for research and then added to them the vote for development. If he will look at the table at the back of the blue book which has a comparison of the expenditures for fiscal years, he will see that, as far as the expenditures of the defence research board are concerned, they have gone up from $23.7 million in 1952-53, to $30.8 million—almost $31 million—estimated for this year, $27 million the year previous and so on. Underneath that is given the development vote and it is quite variable. In some years it showed a figure of $45 million, $53 million, $47 million and so forth. Most of that amount actually was on account of this albatross around our necks.

I refer to the Arrow. It was development work on the Arrow which amounted to these considerable expenditures during those years but it is not part of the research activities. This is development activity.

As far as a program with industry is concerned may I say this. In the speech I made in introducing the estimates I stated that a program of industrial support was being put into effect in conjunction with the Department of Defence Production but under the control of the defence research board. It is designed to do this very thing, namely to assist industry to develop new products and things of that kind.

Mr. Carter: I thank the minister for the explanation he has given me. It is true that I lumped the two together as I wanted to look back over as many years as possible and I just did not have the time in which to separate out the two figures. However, before coming into the chamber I took the trouble to look at the public accounts for 1960. In that year we allocated $51 million for research and development but we actually spent only $39,183,481. The unspent money I want to point out was for development. We voted $21.5 million that year and actually spent $11.5 million. Hence there was $10.5 million left over. That pattern fairly well holds true for a good part of the period I covered in the figures. I do not know what the situation was last year. Perhaps the minister can tell us exactly what the expenditures were. In last year's blue book we estimated $44,696,364 for research and development. I wonder what the expenditure actually was?

Mr. Harkness: Again, Mr. Chairman, I would have to request the hon. gentleman to separate research from development. They are not the same thing. As I stated, the amount spent on research has been going up steadily year by year whereas the amount spent on development has varied greatly from year to year. If you look at the breakdown of the figures, you will find that the amount spent on development has varied. One year it was $42 million and the next year it was $5 million. You cannot possibly lump these two things together and say it is the amount spent on research. It is not the amount spent on research. The research items are items 241 and 242. The development item is a separate item altogether, namely, item 243. Again in this table at the back of the blue book that was issued it is shown that in 1960-61 there was appropriated in the vote for the defence research board the amount of $31,080,000 and that they expended $30,863,000.

Mr. Carter: May I have those figures given again?

Mr. Harkness: Have you not a copy of this document? This is the national defence blue book which was issued several months ago.

Mr. Carter: Oh, yes. I was wondering whether that information is taken from the public accounts figures. Is that taken from the public accounts figures?

Mr. Harkness: No. The public accounts for this fiscal year about which we are talking—I refer to 1960-61—are not out yet.

Mr. Carter: I know that. That is why I could not get them; but would the figures be the same?

Mr. Harkness: Yes; I think they would be approximately the same.

Mr. Carter: There is just one point I wish to make. The minister has stated that there has been a steady increase in research and development—

Mr. Harkness: No; not development.

Mr. Carter: All right; we will take it as being for research. He mentioned that in 1951 we were spending $23 million on research. In 1959-60 the total expenditure as given in the public accounts was $39,183,481.

Mr. Harkness: I am sorry to interrupt the hon. member but once more he has research and development lumped together.

Mr. Carter: I know that. I would ask the minister to allow me to finish. That is the total expenditure. If the minister will be patient for a minute or two I will explain what I mean. I am saying that of that amount of $39 million, roughly $11.5 million was spent on development which leaves approximately $27.5 million for research. Hence from 1951 up to 1960, we have gone up only from $23 million to approximately $27 million. I still maintain that is not a sufficient rate of increase for this important work. I think we should be spending two or three times as much as that having regard to the changing circumstances, the deterioration of the world situation and the increased emphasis on mechanical and technical research and development.

Mr. Harkness: If the hon. gentleman will get this publication, if he has not already obtained it, and if he will consult it, he will see what the expenditures were each year from 1952-53 up to the present time. The actual expenditure for 1959-60 was $27,696,000 as far as research was concerned. The chief scientist on the board here just informs me that they have never yet been able to spend the whole amount of money appropriated because of the difficulty of getting the proper kind of people to carry on this experimental work. They are difficult to procure and there is always a shortage of them.

Mr. Hellyer: You have to pay them.

Mr. Carter: I appreciate the minister's position and I thank him for his explanation. However, I hope he will see my point. My point is that the $27 million that we spent last year—

Mr. Harkness: No; $30 million.

Mr. Carter: —or in 1959-60, will only have the same dollar value or same dollar equivalent as the $23 million we spent in 1951 because the dollar has gone down in value by 2 per cent a year since then. That is just about 20 per cent. If you take 20 per cent off the figure of $27 million you are back to about the same figure as 1951. I think what we have been doing is keeping pace with the depreciation of the Canadian dollar.

Mr. McFarlane: Just before this vote carries, Mr. Chairman, I wish to make a few remarks. I may be using the words "research" in a broad fashion, but I feel it would be advisable at this time for some research and re-assessment to be carried out with regard to the location of our major airports in British Columbia.

At the present time our major military installations in British Columbia are pretty well grouped along the coast. I should like to enter a plea to the minister to have some research carried out on the selection of sites in the interior of British Columbia. In the event that the airports or installations are wiped out on the coast, the next installations are apparently in Alberta, located at Calgary and Edmonton. There are several ideal locations in the interior of the province which are suitable for development and research.

Mr. Chambers: On a point of order, Mr. Chairman, I regret to interrupt the hon. member, but this matter does not come under the defence research board. It is under the air force construction program, with which we have dealt at some length.

Mr. McFarlane: Then, Mr. Chairman, may I ask permission to revert to item 240 for about two minutes.

The Deputy Chairman: Does the committee give unanimous consent to allowing the hon. member to revert to the item which brings his contribution into relevance?

Mr. Churchill: Provided it does not reopen the whole item for general debate. It is a most unusual procedure.

The Deputy Chairman: The committee has to give unanimous consent. Perhaps the hon. gentleman could make his remarks on some other occasion, unless there is unanimous consent.

Item agreed to.

Mutual aid—

244. Contributions to infrastructure and military costs of the North Atlantic treaty organization and the transfer of defence equipment and supplies and the provision of services and facilities for defence purposes in accordance with section 3 of The Defence Appropriation Act, 1950, not exceeding a total of $40,798,000 including the present value of defence equipment or supplies or the cost of services made available by the Canadian forces estimated in the amount of $24,848,000 and provided by appropriations for those forces in the current and former years in respect of which, notwithstanding subsection (3) of section 3 of the said act, no amount shall be charged to this appropriation or paid into a special account; provided by this vote, $15,950,000.

Mr. Carter: Mr. Chairman, I thought it would be interesting to look back over the years not only with respect to expenditures on research and development but also on mutual aid. I wish to place on the record some figures I have taken from the public accounts and use them as a basis for some questions I should like to put to the minister later.

It was not easy to obtain these figures because we did not call it mutual aid in the beginning. The first time there was any allocation for this purpose was in 1951. That was tied up with the allocation for pensions, and the figure was around $144.5 million. In 1952 we allocated $235 million for special aid. Then $289.7 million in 1953 for NATO, and in 1954 we got around to calling it mutual aid.

In 1954 we allocated $253.4 million; in 1955 the figure was $175 million; in 1956, $133.5 million; in 1957, $118.5 million; in 1958 there was a drop down to $13.4 million, and in 1959 the expenditure was $18.4 million. These figures, again, have been taken from the public accounts of those years.

Last year in the estimates we allocated $14.8 million and this year we have before us another item of $15.9 million. Looking back over these figures we see there was a steady decrease from $235 million in 1952 down to $118 million in 1957. But in 1958 there was a very sharp decrease, from $118 million down to $13 million, and it has been around that average for every year since, with the exception of 1959, when the figure was around $18 million.

So for the last four years, 1958 to 1961, inclusive the figures only add up to about $62 million, which is a little less than half of the amount we spent in 1957. If we add all these figures together they total around $1.4 billion.

While I realize that the bulk of it has been spent on stock, equipment, parts and so forth, it does promote two questions in my mind. First, what has been the result of this contribution on the part of Canada over the past ten years? Second, on what basis have these figures been arrived at? Have these contributions been evaluated on the actual cost of the equipment we contributed, on the replacement cost or the depreciated cost, because I presume some of it was used. I do not expect the minister to give me the figures for the whole period, but I wonder whether he could tell the committee how much of this money, if any, was contributed in cash.

When we look at the sharp drop from $118 million in 1957 to $15 million or $16 million this year, the other question which comes to our minds is, what is the future of this mutual aid? Is it something that is going to be wound up and will disappear in the near future, or are there continuing commitments which will require a vote for a considerable time in the future?

Mr. Harkness: Mr. Chairman, the hon. member mentioned the purpose of this vote, which was to build up the strength of our NATO partners in Europe. This is why there is a period when the expenditures under this item were quite heavy, since when they have gradually been cut down.

Once again looking at this comparison of expenditures by fiscal years in the blue book, as far as aircrew training is concerned, for example, the amount went from $104 million down to $71 million, $52 million, $51 million, $47 million, $26 million, $6 million, and then nothing. That is because during those years 1952 to 1958-59 we were carrying on the training of a considerable number of airmen from the various NATO countries of Europe. That phase is now over so those expenditures are no longer being made.

During the same period we were supplying a large amount of equipment to these people to build up their stocks. That phase of the program is over to a great extent. Where you see this big drop in 1958-59 of $70.7 million to $18.3 million in 1959-60, the $18.3 million figure represents all cash contributions, whereas from there over it was some cash but mostly equipment taken out of stocks, and so forth.

The hon. member wanted to know how these figures were arrived at. As far as new equipment given as mutual aid is concerned, the actual cost of it is the figure used. So far as used equipment is concerned, or equipment which has been in stock for a considerable time, it was the estimated present value which was used in most cases. In some cases the replacement cost was used. It would depend on the type of item it was and whether it was an item which would be replaced or not. As to the question whether this is coming to an end, the answer is, no. Actually, the $50 million which is being appropriated to

supply F-104's to the NATO countries is a further contribution on our part toward mutual aid.

Miss LaMarsh: Could the minister tell the committee what material, if any, is being supplied to Portugal under this vote?

Mr. Harkness: There is none being sent to Portugal at the present time.

Item agreed to.

National defence general—

245. To authorize, notwithstanding section 30 of the Financial Administration Act, and subject to allotment by the treasury board, total commitments of $2,674,046,619 for the purposes of the foregoing votes relating to national defence, regardless of the year in which such commitments will come in course of payment (of which it is estimated that $1,123,561,879 will come due for payment in future years), $1.

Mr. Hellyer: This item is probably one of the most important in the whole of the estimates of the Department of National Defence because it authorizes the government to make defence commitments in respect to procurement outlined in the book of estimates. It is the item which sets the course, the item which sets the direction for the future. It is the item which, to a very large degree, controls the flexibility of future expenditure. It governs to a large extent the course of Canadian defence policy for years to come. As a consequence, I cannot let this item pass without going back to some of the cardinal issues which face us. These are: how can Canada best contribute to collective defence, and how can Canada best contribute to the preservation of peace. These are the issues. These are the questions which have to be asked, and these are the questions which have to be answered. The answers, of course, are not easy. The answers are profoundly difficult and there is considerable difference of opinion with respect to them.

Are atomic weapons necessary as part of Canada's contribution? That is a question on which there is certainly no unanimity. The *Globe and Mail* in what I consider to be a most thoughtful editorial dated September 14, 1961 entitled "The Nuclear Dilemma" breaks this fundamental question into its two logical parts: (1) Is it or is it not our duty to our allies to equip ourselves with atomic weapons in order to provide the best possible defence in our sector against attacks on SACEUR and (2) Do our obligations to NATO require us to go the whole way and accept warheads.

With regard to the former we have attempted to demonstrate that the measures now contemplated by the government make no significant contribution to the protection of SAC and make no significant contribution to the deterrent. The deterrent would be as strong without these measures as it would be with them. It is our opinion therefore, as we have indicated during this debate, that it is not necessary to have two Bomarc squadrons nor is it necessary to arm our defence squadrons with nuclear warheads. This is a new situation. This, as we have said, was not true in the past but it is true now and it will be true in the future. In the past an effective defence against the bomber did, in fact, help to protect SAC, but in the missile age this situation no longer exists and the experience of the past has to be reassessed.

Our problem in Canada is complicated by the fact that we have limited resources. The way in which these resources could best be utilized depends to a large extent on the point of view of the man with whom you are talking. If you were talking to the commander in chief of NORAD you would find that he naturally takes the position that Canada's main burden of effort should be in respect to the air defence of the North American continent. If you were talking to the commander in chief of the Atlantic forces you would find he would think it advisable for Canada to increase her contribution to the naval forces in the Atlantic. Of course, if you talk to the commander in chief of the Atlantic and ask him who is responsible for air defence against missiles he would say "talk to the commander in chief, NORAD" and if you asked the commander in chief NORAD he would tell you that you had better talk to SACLANT. Similarly, if you talked to SACEUR no doubt you would be told that building up our strength as part of the NATO shield was the most important thing on the priority list. This situation is not unusual. Each service grudgingly admits a limited role for the others but emphasises that it has the essential role and must have the larger share of the total budget. Melding these widely diverse opinions, each put forward in good faith by sincere and competent officers is a difficult task. They cannot all be right.

The minister takes pride in the acquisition of the Bomarc and the Voodoo, alleging that they will make a significant contribution to defence. Well, an old pal of his whom he used to quote often in debates, disagrees with him. Major General W. H. S. Macklin, C.B.E. in an article entitled "What air power do we need?" has this to say:

> Why, for instance, should not some of these squadrons be equipped with our own CL-44 transport which the Americans rejected? The 32 CL-44s that the government proposed to trade for Voodoos would contribute far more to the common defence of the western alliance than the Voodoos ever will.
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> We need other types of flexible air transport, too; planes that can operate without great concrete airfields, such as the famous Beaver, Otter, Caribou series, all made in Canada, and various types of load-lifting helicopter. It could never

be argued that these sorts of aircraft will become obsolete as fast as they are issued. Good models last a long, long time.

There is, for instance, the reliable, if slow DC-3 still in use after over 20 years, and the North Star, which has been on the air force inventory, since 1947 or '48.

Lastly, we ought to have some aircraft that could intervene tactically in a land battle, without resort to the nuclear bombs that the Starfighter we are buying will need to be useful. We have had the R.C.A.F. for 37 years, but it is an astounding fact that never has our air force been able to act in battle with the Canadian army. The army got its air support in the second world war from the British and in Korea, from the United States.

What we require, in short, is an air force that can co-operate effectively with the other Canadian armed forces to carry out strategic decisions made in Ottawa.

Consider that for a dozen years we have trained and maintained a parachute force at staggering expense. But never, no, never, has the air force been able to lift it with its armament. Does this make sense?

We know neither the day nor the hour when some new crisis, like Korea, Suez, or Congo, or worse, may arise in Africa, Asia or elsewhere. It is Premier Khrushchev's stated intention to promote such crises.

The Air Force ought to have the strategic, long-range air lift that could get an armed force to the danger area with speed, and then keep it there, with or without great airfields in the theatre. And if the peace-preserving role of such a force should fail and war ensue, the air force should be able to fight, under the conditions imposed by the enemy and geography. We can rarely make war as we might like to.

In regard to the second question, as to whether our obligations to NATO require us to go the whole way and accept warheads, the minister and the Leader of the Opposition agreed that subject to certain conditions, the answer to that question might be yes. The Leader of the Opposition reiterated the position of the Liberal party. The first priority is to build up the conventional strength, to give it flexibility, to give it the capacity to withstand an onslaught, at least long enough for the decision to use nuclear arms to be made at the proper level, which is the political level, and in this case by the NATO alliance. Then, he said that as a second line only to be used when conventional forces failed or when found inadequate to meet a situation, should it arise, atomic warheads might be used by separate units, preferably units which are held in reserve for such a contingency. This is a point on which there is not too much disagreement between the Leader of the Opposition and the minister.

The minister's friend of yesterday does not even think that NATO should have nuclear arms. Mr. John Gellner in an article entitled: "Needed: A Revision of NATO Policy" states, in part, as follows:

> As long as the pretence is kept up that nuclear weapons can compensate for deficiencies in men and material, those member countries of NATO which have been inclined to shirk their military responsibilities, anyway, will not be persuaded that they must at long last start to pull their weight. As long as the dubious doctrine that nuclear weapons can be used in limited wars is adhered to, NATO will not be able to gather the conventional forces which it needs to deal with the kind of emergency with which it may be faced. Above all, unless a military policy is laid down which will put the weight equitably on, and make sense to, all the allies, NATO will remain largely ineffective, militarily. In that case, the alliance itself will be meaningless.

But the government seems to have made a decision contrary to Mr. Gellner's; at least by its actions the government seems to have made the decision, but by its words we are left in doubt. Has the government made a secret decision in respect to the use of atomic warheads? One might speculate on that. Or is the government in fact spending hundreds of millions of dollars on weapons it might not arm? Is it again this afternoon under this item seeking authority to commit this country to the advance expenditure of further hundreds of millions of dollars on weapons that reach their full potential only when armed with nuclear warheads while at the same time having no intention to use them? This is the question which has to be answered: Are we going to or are we not?

In the meantime the government's indecision is causing considerable embarrassment and concern both at home and apparently in NATO. John Gellner in an article entitled "New Hope in the Alliance" has this to say:

> There is another impression which a visiting Canadian gets at the headquarters of NATO, and it is not encouraging: The standing of Canada in the alliance seems to be less than it used to be. From having been instrumental in the founding of NATO, and a main driving force in it for many years, Canada has receded into the background, particularly politically—we have become "consumers of information" as a leading NATO representative politely put it.
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> The reason for this is that the present Canadian government obviously sets less store by NATO than by the United Nations—and is in this respect at variance with virtually all other allies who consider NATO a much more useful instrument of international policy than the U.N. Hon. Howard Green's statements at the ministerial meeting last December, and to a lesser degree in Oslo last May, have certainly been interpreted in that way. Canadian indecision on whether or not to adopt nuclear weapons also does not enhance Canada's prestige. Their adoption would be considered a logical consequence of our acceptance of NATO strategy, and more specifically of the "strike" role (involving attack with nuclear weapons) for the Royal Canadian Air Force air division in Europe. Their rejection, even though belated, would probably be understood. But our fence-sitting, just as our apparently lessened interest in the Atlantic alliance, merely act as a dampener on the currently soaring spirit in NATO.

What is the Canadian position with respect to nuclear arms? We do not know. The hon. member for Bonavista-Twillingate asked earlier this afternoon if there was in existence a draft agreement awaiting signature under

which Canada would be able to obtain nuclear warheads under joint control. The minister said he would not say whether there is or is not a draft agreement awaiting signature. If there was not one would guess that the minister would say so, but we are left to conclude that the document is in existence awaiting signature.

Mr. Harkness: Mr. Chairman, I think the hon. member should not appear to be quoting me as having said anything in that vein. What I said to the hon. member for Bonavista-Twillingate was that I was not prepared to satisfy his curiosity on the subject.

Mr. Hellyer: It will be unfortunate if this item carries and this debate concludes without the committee and the country receiving a clear statement of the government's policy. It is not a satisfactory situation.

May I say that in my opinion our present method of dealing with the subject of defence is quite inadequate. Under the parliamentary system parliament is responsible for the voting of funds and it is this process in which we are engaged at the present time. And yet, we do not have adequate information. Parliament and the people are not given the facts. I am not alleging that this is completely new under the present government. It is probably traditional under our system but it is more important now. It is more urgent because the subject of defence is much more complicated. It has at last become a matter of survival, a matter of life and death, even on the North American continent. As I said, the information given to parliament and the public is inadequate.

At one time we used to receive a white paper which contained at least an outline of Canadian defence policy. The British issue a white paper which contains a thorough and exhaustive outline of the opinions of that government with respect to national defence. We used to have a similar paper here but now we have nothing. We now receive a blue book and I might say it is appropriately named because it would certainly make one blue to read its contents. It contains no information whatsoever in respect to defence policy. It merely, as it says, contains some information in respect to the roles and activities of the armed services and the defence research board.

Other important documents vital to the Canadian people are not made public. For example, the Graham report on civil defence was not disclosed either to the house or the Canadian people. We are led to wonder what it contained.

In addition, the government colours the information it gives to the committee and to the Canadian people. I suppose that is only natural. The government has a particular point of view, right or wrong, and it wishes to acquaint the public with it. The opposition, if it has a contrary point of view, also selects the available evidence to support its case. The difference is that the government has dozens and dozens of public relations men working full time faithfully and dutifully grinding out the truth as the boss sees it. That is quite natural too. As a matter of fact, I think that our expenditure in the Department of National Defence on public relations and public relations people is too great. I think it is too costly for the amount of benefit received by the Canadian people. I would recommend that treasury board have a look at it when the estimates for next year are being prepared.

At the same time the minister has deliberately tried to create the impression that the opposition is uninformed, and because the opposition is not at liberty to disclose its sources without losing them their contributions are not always given the consideration in the press and elsewhere that might be the case if the sources could be authenticated. Some better system must be found. I am aware of the traditional situation with respect to our parliamentary institutions but I think the time has come for a change. I think we waste too much time. We could accomplish a great deal more if we were to face the facts and make the necessary adjustment.

We must have some mechanics for making information available to the elected representatives of the people and I think that a good solution would be a small standing committee on defence. This committee would in no way attempt to usurp the functions of the Minister of National Defence but it would have briefings by serving officers. It would visit defence installations and see the hardware about which we are talking. It could meet in camera and be given classified information with respect to the Russian threat and our capacity to cope with it. It could study all aspects of defence, national survival and related subjects.

The result would be a small body of informed representatives of the people who would then be in a better position to help parliament and the public in a responsible examination of the public business. I have no doubt some criticism would be avoided, but I am sure the criticism that would be levelled would be better prepared and more authoritative. It would be much more difficult under those circumstances for either government or

opposition to colour their points of view appreciably without fear of immediate refutation by informed persons. The press and the public would know that spokesmen were or should be well informed.

The committee might issue a declassified record containing the maximum possible information to assist the public in appreciating better the complexities of the subject of defence and its many ramifications. I think that it would contribute to an improvement of the standard of debate. It should reduce irrelevancies and, most important of all, it should permit parliament to fulfil its function which is to give careful, thorough and responsible examination of the proposed expenditures of the executive branch. It would assist the public in assessing the issues, gauging the different policies if different ones are proposed and reaching conclusions. It would increase public confidence in the parliamentary system. In view of the gravity of the subject, which I think is appreciated by all of us on both sides of the house notwithstanding that sometimes in the heat of battle we do and say things which would not be appropriate under cooler circumstances, I think that under the circumstances I have outlined such a committee would assist us to do our job, to do it responsibly and to do it properly, which is the objective we have in mind. I therefore urge the government to give sympathetic consideration to this suggestion, and I know that in doing so it will have the support of parliament and the Canadian people.

Mr. Harkness: Mr. Chairman, during the course of the debate in the last several days I think I have dealt with practically all of the matters which have been revived in the remarks just made, and I do not think it would contribute anything to the debate for me to repeat the arguments I have made throughout that period. I agree with the hon. member that too much time is wasted and has been wasted in this committee, most of it, I am sorry to say, by endless repetition of the same arguments in connection with the same subjects.

As far as committees are concerned, during the period from 1952 to 1957 there was, I believe, one committee during that time which met during two sessions of parliament. From 1957 to date there have been two separate committees which have dealt with defence matters. The hon. member is now advocating a standing committee on defence. This is something that certainly can be given consideration. Whether we should have a standing committee on defence as suggested or whether we should continue the system which has been followed in the past of having special committees from time to time as conditions seem to warrant is really a matter for decision, and I have nothing definite that I can say on that at the moment.

The Deputy Chairman: Shall vote 245 carry?

Mr. Hellyer: On division.

Item agreed to.

The Deputy Chairman: This completes the estimates of the Department of National Defence.

Mr. Harkness: Mr. Chairman, I should like to thank members of the committee generally for the interest which has been shown in defence matters and various members for the contributions they have made to the debate on this important subject.

The Deputy Chairman: We will now proceed to the consideration of the estimates of the Department of Defence Production.

DEPARTMENT OF DEFENCE PRODUCTION

67. Departmental administration, $9,574,385.

(Translation):

Mr. O'Hurley: Mr. Chairman, in my statement today I would like to discuss the principal responsibilities and accomplishments of the Department of Defence Production and in this connection to follow the procedure that I have followed in the past, that is, of dealing, where possible with the votes in the order that they appear in our departmental estimates.

In the course of my statement I would like to give you a brief outline of the work of the Department of Defence Production. I would also like to refer to those instances where there are differences between the amounts which we are asking to be voted this year and those amounts which were voted last year.

Under the provisions of the Defence Production Act, my department has exclusive authority to procure the goods and services that are required by the Department of National Defence. As the funds required in connection with this primary responsibility of my department are provided by the Department of National Defence, the defence production estimates do not provide too clear an illustration of the level and nature of departmental activities. I referred to this aspect during the discussion of the estimates of my department last year. However, I think it is worth while to touch upon the point again at the very outset of this statement.

The responsibility for procuring the equipment and material required for the Department of National Defence has been the primary task of my department since its establishment in 1951. This responsibility is still of primary importance but there are today other responsibilities which are of ever increasing significance.

The growing complexity of new weapon systems illustrates in most vivid terms how difficult it is for Canada to undertake the development and production of such systems on a purely independent basis. Against this background of changing conditions I shall continue, as I have in the past, to look to the resources of Canadian industry, whenever possible, to produce the weapons and material required for our armed forces and, as in the past, I shall continue to examine the demands of the services to see how they can contribute to the creation of new skills and facilities in Canadian industry. I wish to make it clear, however, that in addition to these activities new ways must be found—and are being found—to not only maintain but extend the capabilities of our defence industry. In this regard I would like to point out that my department has the responsibility for promoting the sale of Canadian defence items to the United States and our other NATO allies as well as the responsibility for co-ordinating Canada's activities in connection with the efforts of the North Atlantic Treaty Organization to increase co-operation in research, development and production in order to attain maximum efficiency in standardization and production by member countries.

My department is also placing increased emphasis on activities in the field of industrial research and development. This step is necessary if we are to ensure that Canadian industry will succeed both in finding and exploiting opportunities in the field of production sharing as well as responding to the future requirements of our own services. I am firm in my intent that we should do our full part to make these efforts succeed.

(Text):

In the field covered by aircraft procurement the main production program is the CF-104 and the associated J-79 engine. Production schedules are being met for this 200 aircraft program and already five aircraft have been allocated to an advanced flight test program. The similarity between the Canadian version of the F-104 aircraft and that adopted by certain other NATO countries —Germany, the Netherlands, Belgium and Italy—has resulted in close co-operation between the countries concerned. An officer of my department has been transferred to Germany as a representative to the European organization for direction and control of the F-104G program which is now a subsidiary body of NATO.

Defence production in Canada on behalf of the North Atlantic alliance is showing a marked increase with the order for 61 Caribou aircraft received by de Havilland from the United States army. Present negotiations contemplate an additional order for 53 aircraft. Other programs include the CC-106 and CL-44D, long range transports, Otter and Beaver aircraft. Contracts have also been placed for 3 UH-QE light observation helicopters for the R.C.A.F. and 21 for the Canadian army. These 24 light observation helicopters are being purchased from the Hiller Aircraft Corporation. Two Vertol model 107-11 heavy helicopters have been purchased from the Vertol division of Boeing of Canada Limited for the R.C.A.F. and the purchase of an additional four is being negotiated. Both these companies have placed business with Canadian contractors on a reciprocal basis in accordance with current production sharing policies and both are using the services of a significant number of Canadian subcontractors.

As a result of the phasing out of older types of aircraft, it is expected that there may be some reduction in the workload of repair and overhaul contractors. The new aircraft which are being introduced will offset to some extent the effects of this phase out but generally speaking the introduction will not have an effect this year.

Other factors such as decreased R.C.A.F. flying hours, reduced contractual expenditures, rising costs and reducing manhours are all tending to create a constantly diminishing workload in terms of manhours of employment for aircraft repair and overhaul contractors.

My colleague, the Minister of National Defence, announced to the house on September 11 that the CL-41A will be used as a basic jet trainer by the R.C.A.F.

My department, in co-operation with the Department of National Defence, is now working on detailed specifications for this aircraft, and we expect to request proposals from the various companies concerned within the next two or three weeks.

I also intend to enter into discussions with Canadair Limited with a view to assisting that company in the development of a systems trainer version of the CL-41A to be designated the CL-41R. This engineering study is primarily directed towards potential requirements by the NATO countries operating high performance jet aircraft with sophisticated navigation and radar systems.

The CL-41R would be used as an advanced systems trainer, in order to give the pilots complete systems training.

The procurement and production of electronic equipment will continue at a high level. In airborne electronics, the major programs are related to the supply of fire control, communication, navigation, and identification systems for the CF-104 and the F-104G aircraft. There are also continuing retrofit programs for doppler navigation, communication and anti-submarine detection. Electronic training aids are increasing in importance, and flight and tactics simulators are being built for the R.C.A.F. and for the German, Netherlands and Belgian governments. There are other promising possibilities in foreign sales of this tactical simulator.

Communication equipment will be procured for the army including the requirements for national survival warning networks. Field radar and radiation detection equipment will also be obtained for the army. Programs for the Royal Canadian Navy include shipborne radar, navigation, identification and counter-measures equipment, and a new Canadian designed sonar. This sonar equipment is also being manufactured in Canada for the account of the Royal Navy and Royal Australian Navy.

Installation of the R.C.A.F. air defence communication system will continue and a major program to lease communications for the North American air defence system is underway. Operation and maintenance of the existing defence warning systems will also continue and ground navigation stations for air defence installations will be procured. Up-dating of equipment at existing air defence sites is in process and new stations will be installed.

Last October, the functions of the ammunition and gun branches of my department were combined to form the new armament branch which is now responsible for the procurement and production of all types of ammunition, explosive stores and weapons systems including fire control equipment, underwater weapons, guns, mortars, launchers and both guided and ballistic missiles.

In production at present to meet Canadian military requirements are small arms, torpedoes, antisubmarine mortars and projectiles, automatic rifles and naval destroyer-escort guns. In addition, a range of fire control instruments and a tank navigation system are being produced in Canada to meet U.K. and foreign as well as Canadian military requirements.

The shipbuilding program is continuing with particular emphasis, as during the past year, on the construction of six destroyer escorts of the repeat-Restigouche class. All contracts for the construction of these ships were placed in Canadian shipyards. In addition, a very large number of components for these vessels are being purchased and manufactured in Canada.

Modernization programs are being initiated for the destroyer escorts of the St. Laurent class and also for the H.M.C.S. *Crusader*.

In addition to the destroyer escort program shipbuilding activities include the construction of the naval tanker supply vessel. A contract for this vessel was placed as a result of competitive tenders. This is the first time that a contract has been awarded for a large and complex Canadian naval vessel in this manner. A contract has also been placed as a result of competitive tenders for the construction of a hydrographic and oceanographic survey vessel for the Department of Mines and Technical Surveys.

Ship repair work will, of course, expand with the increase in the size and complexity of the Canadian fleet. Contracts for repair work as well as those for construction and modernization provide considerable employment in our Canadian shipbuilding industry.

I would also like to refer briefly to the general purchasing program which covers those supplies and services which do not normally involve special production arrangements. These items are procured both through departmental headquarters and the 14 district purchasing offices of my department which are located across Canada from St. John's, Newfoundland, to Victoria, British Columbia. These requirements although usually individually small in dollar value represent a great variety of items and a large sum of money in total. It is anticipated that procurement of this type will be approximately the same as last year.

All the programs to which I have just referred have a bearing on the amount of vote 67. The defence production and development sharing responsibilities, which I shall discuss very shortly, also have a bearing on this amount.

As you will note, there is an increase of $911,549 under vote 67 as compared with the estimate for 1960-61. The largest individual item involved in this increase is the provision for salaries which has been increased by over $830,000. This, of course, reflects the adjustments in the salaries of the public service that were made last year.

Vote 68 covers the care, maintenance and custody of stand-by defence plants, buildings, machine tools and production tooling. The amount provided in this year's estimates, namely $888,700, represents an increase of $98,645 over the amount provided in the estimates for 1960-61. The provision is dependent upon decisions to be taken during

the fiscal year as to whether continued production stand-by arrangements or disposal action will be required. Accordingly, these requirements cannot be forecast in precise terms at this time.

Vote 69 and supplementary vote 507 provide for capital assistance to Canadian industry and also for the provision of assistance in connection with tooling and preproduction costs involved in bids submitted by Canadian industry under the Canada-United States development and production sharing program. This is another case where there is an element of contingency involved and, as you will appreciate, it was not possible at the time of the preparation of these estimates to anticipate the number of cases where Canadian firms will ask for assistance nor the degree of success that will be obtained in such bids. I shall discuss the provisions of this vote at greater length when I review the provisions of vote 72.

Vote 70 provides for the payment of grants to municipalities in lieu of taxes on crown-owned defence plants operated by private contractors. As I explained at the time of the consideration of last year's estimates these plants are ones that have been acquired by the crown under capital assistance programs of past years. The grants are computed on the normal assessment evaluation by the municipality concerned subject to adjustment with respect to services rendered. There is a very small increase in the amount that is being provided this year.

Vote 71 covers the provision of funds to establish qualified sources for component parts and materials. This vote was established in October 1958 in order to establish qualified component production sources essential to the production of military electronic equipment in Canada.

The object of this vote is to prepare Canadian companies to participate in the production of components for future Canadian military requirements, in order that it will be possible to increase the Canadian content of defence procurement in Canada. This, of course, has the added advantage of increasing the Canadian content in allied countries' requirements for similar items.

From October 1958, to August 31, 1961, more than $860,000 has been spent. Twenty eight contracts have been placed and 12 of these have been completed. In addition, 18 projects are under consideration. These cover a wide range of items, from basic ceramic and precision bearing facilities to transistors, fuel pumps and servo-synchro components.

The operation of this vote shows clearly that Canadian industry is capable of producing new military components to acceptable standards. Some form of government support is required in this area where advanced military technology is a necessity, and vote 71 includes the provision for $607,000 with an additional future year's commitment authority for $300,000.

Vote 72 and the portion of vote 69 dealing with tooling and preproduction costs concern the Canada-United States defence production sharing program, and I should like to discuss the progress of the program, and in particular, the development sharing aspects of that program at this time. I should also like to refer to the important efforts being made to expand the role of Canadian military equipment in the programs of our NATO allies.

During 1960 co-operation between Canada and the United States resulted in the broadening of the areas of opportunity for Canadian defence industry to compete for U.S. defence requirements as well as the streamlining of the procedures involved in such cases. Extensive efforts on both sides of the border were required in this regard. The result has been the elimination of most of the obstacles to Canadian industrial access to the U.S. defence market. For example, the Buy American Act and U.S. duty barriers have been eliminated for a broad range of defence supplies from Canadian industry. It is also important to note that the U.S. defence directives which were issued in late 1960 in connection with the return of offshore procurement to U.S. sources, do not apply to the procurement of Canadian supplies which are included in the defence production sharing program.

One form of financial assistance which is made available by my department to Canadian industry actively interested in sales to the United States is the sharing with Canadian companies of certain preproduction engineering and special tooling costs to enable Canadian companies to cope on more equal terms with competing firms which have been able to write off such costs against previous orders.

In 1959-60 $1,250,000 was voted for this purpose and the same amount was voted last year. As a result of firm commitments for this type of assistance totalling approximately $2.5 million about $20.1 million in production contracts had been received by Canadian companies by August 31, 1961. In addition, these companies have been placed in a position to compete for follow-on orders for similar supplies. Actual expenditures made against the votes for the past two fiscal years have totalled $1,230,554. In the current fiscal year $175,602 has been spent to the end of August.

Expenditures have been less than provided by the votes because of the difficulties involved in attempting to forecast expenditures in this area. The production sharing program is a comparatively new responsibility and there has not been an opportunity to accumulate sufficient data to establish trends in expenditure. Second, it is not possible to anticipate the number of cases in which Canadian firms will seek support from these funds. Third, the number of competitive contracts that will be won by Canadian firms cannot be forecast, and of course, expenditures are only made when a Canadian company has received a contract. Finally, the rate of our expenditure depends upon the period of time covered by the contract and the receipt of billings for progress payments. For these reasons provisional commitments against this vote fluctuate greatly throughout the year and actual expenditures do not fully indicate the amount of support offered during the year. In order to continue this assistance in the establishment of production capacity there has again been included the sum of $1,250,000 under vote 69, and an additional $500,000 has been requested under the supplementary vote 507.

The other major type of assistance made by my department is our contribution to development sharing to encourage Canadian defence industry to maintain technological developments at a level which will promote future defence exports. The sum of $5 millions was approved in both 1959-60 and 1960-61 for this purpose. Expenditures for these two fiscal years amounted to $4,752,775. In the current fiscal year expenditures to the end of August totalled $706,185.

The difficulties involved in forecasting expenditures under vote 69 also apply in the case of this vote. In addition there is a further element which has prevented the full use of the funds that have already been approved. Research and development is by its nature a long process. Most programs require only modest funds in the initial study stages and large expenditures do not occur until prototypes, testing facilities, and such items are required. Some of our programs will be moving into this stage this year.

We are assisting development in such selected fields of United States defence interest as, for example radar and communications, V/STOL aircraft and turbine engines, anti-submarine warfare devices, plasma physics and surface transportation such as hydrofoil vessels and light weight high mobility vehicles.

This support of Canadian industry takes several complementary approaches to defence development sharing with the United States. We have ratified procedural arrangements with the United States army and are now negotiating with the United States air force to the end that selected United States developments requirements will be undertaken in and financed by Canada. Furthermore, in support of uniquely Canadian projects whose successful development will be of interest to the United States services my department has placed contracts with competent Canadian companies. In addition, to equalize the position of Canadian industry in competition with United States industry for U.S. financed development requirements, we are arranging to share the cost of selected projects with the United States government and the Canadian companies concerned.

These activities to August 31 have resulted in the Canadian government's contribution of about $20.1 millions to development projects now awarded to Canadian companies or fully approved and pending only final contractual details. In addition to these firm commitments, there are a number of projects under active consideration including several unique Canadian concepts and formal U.S. requirements approved in principle for support. These amount to about $4.6 millions.

In addition to these projects, which total some $24.7 millions for Canadian expenditure on defence development projects in Canadian industry, a variety of development possibilities are under preliminary investigation. These figures, which do not include some $13.7 millions of U.S. funded research and development and technical engineering assistance contracts, or Canadian industry's own contributions, indicate that substantial U.S. oriented research and development is now taking place in Canadian defence industry.

Examples of major projects included in this Canadian development program are V/STOL aircraft, Avro, Canadair and de Havilland; turbine engines, Orenda and Pratt and Whitney; airborne electronic equipment, Marconi and Computing Devices; radar items, Long Sault Woodcraft and Fleet Manufacturing; communications equipment, Radio Engineering Products; and rocket vehicles, Bristol and Canadair.

In order to continue this work of sustaining technological capability in Canadian defence industry the sum of $5.5 millions with additional commitment authority for $11 millions has been included under vote 72. If this development sharing activity is as successful as the present trend indicates then I expect that supplementary estimates will be proposed before the end of this fiscal year.

As a result of our continued co-operative arrangements with the United States. I am now able to report an increasing flow in the number of United States defence development

and production sharing contracts awarded to Canadian industry. These contracts totalled $112.7 millions in the calendar year 1960.

This total includes $61 millions in United States government prime contracts with Canadian companies and $51.7 millions in United States industry subcontracts to Canada. It should be noted that such subcontracting was negligible before 1959 and is largely the result of our production sharing program. The 1959 and 1960 two year total for United States defence production sharing in Canada is $209 millions.

The first eight months of 1961 have shown a similar favourable trend. Production sharing contracts in this period involve some $79.9 millions made up of prime contracts for about $43 millions and subcontracts for about $36.9 millions. This compares with the total of $65 millions of such United States defence business placed in Canada in the first eight months of 1960. Some major items involved in the prime contract area were in connection with de Havilland Caribou aircraft and spares for various de Havilland aircraft, $7.7 millions; Pratt and Whitney Aircraft engine spares, repair and overhaul, $11.7 millions; Sparton sonobuoys, $1.1 million; Canadian Arsenals' cartridges, $3.9 millions; Radio Engineering Products field telephones, $1.6 million; Orenda engine development, $913,000; and Marsland Engineering, plotting tables, $2.6 millions. A firm order for Marconi airborne doppler navigation radar in the amount of $370,000 has been received and negotiations are under way to increase this to $1.7 million. There are good prospects for additional large orders.

Some of the subcontracts consisted of counter-measure systems, $1.2 million, to Northern Electric; switchboards for FPS-26, $830,000, to Federal Pacific; radar equipment, $2.3 millions, to Canadian Westinghouse; NASARR subsystems to Westinghouse, $3.5 millions: training and installation AN/FST=2B (SAGE) Burroughs, $1 million; missile components, $2.7 millions, to Sperry; and Bomarc parts and components, $1.3 million, to several Canadian companies.

Significant impetus has been given to the Canada-United States defence production sharing program by the F101-F104-Pine Tree agreement between the two governments announced by the Prime Minister on June 12. This agreement clearly indicates the sincere intent of the United States and Canadian governments to make defence production sharing a vital program. It will make a singificant contribution to maintaining Canada's defence production base. Many of our most important defence contractors will receive contracts and subcontracts.

Only governments can negotiate transactions of the magnitude of the one that I have just mentioned. Generally, however, the government's role lies in the creation of a climate of opportunity for Canadian industry to compete for United States defence business. Therefore, real success of the program is dependent upon the efforts of Canadian industry. In this regard some companies have shown commendable initiative and effort but unfortunately some others have been reluctant to accept the challenge. In order to further stimulate Canadian industrial activity in the production sharing program I again wrote on May 29 to the senior officers of Canadian firms which have indicated an interest in the program, outlining progress for the past year, the continuing need for co-operation from industry, and the opportunities available. I once again urge all companies with capability and resources to make a determined effort to gain United States defence business for Canadian industry.

I should now like to turn to another area, quite separate from production sharing, in which my department has been endeavouring to expand the role of Canadian developed defence equipment—I refer to our efforts to co-operate with our NATO allies in the research, development and production of defence equipment requirements.

By direction of the NATO defence ministers, the NATO armaments committee and its various sub groups are providing a means by which research, development and production requirements can be co-ordinated to the mutual advantage of all countries participating. My department is working closely with the Department of National Defence and others in this long range plan of NATO co-operation which will, I trust, ensure that Canadian capabilities are recognized in the light of NATO requirements. It should be emphasized that the purpose of this co-operation is co-ordination and not sales promotion, and it is in this spirit that we are participating.

We have found, however, that our increased efforts in the NATO area have had supplementary benefits. Several countries have placed contracts for current Canadian equipment. These contracts involve substantial benefits for Canadian companies.

The interest shown by certain of our NATO allies in our aircraft, radar, anti-submarine warfare equipment, navigational aids and other equipments developed by Canada is heartening. Every effort is being made by my department in close co-operation with the Department of National Defence and Canadian industry to provide demonstrations, items for test purposes, and the administrative machinery to ensure that our industry is not in

a disadvantageous position in relation to other potential suppliers in the European area.

We intend to provide financial support for preproduction and tooling costs and development costs, similar to that we now provide to companies entering the United States defence market. Support of a company under the production sharing program has a secondary benefit in that it also assists the same company in its efforts to sell to our overseas allies.

With respect to administrative machinery, I have offered to the defence ministers of our allies, the services of the Canadian Commercial Corporation to act on behalf of their governments and prime contractors in the procurement of defence equipment and supplies in Canada. Use of this crown corporation ensures that any purchases made by a foreign government will be negotiated and administered by the Department of Defence Production employing the same procedures and safeguards as are followed by the department in procuring supplies for the Canadian services. Such assurances are valuable to both foreign governments and Canadian suppliers since they eliminate many of the difficulties inherent in the establishment of new commercial relationships over large distances and outside of traditional military procurement channels.

The benefits which may accrue to Canadian industry in the years ahead as a result of co-operation with our NATO allies are indicated by the successful sales of Canadian developed products in connection with the F-104 aircraft adopted by Canada and other NATO countries. In 1960 letters of intent authorizing the manufacture of flight simulators up to about $3.5 millions were received. The total probable procurement involves about $22 millions. These flight simulators are produced by Canadian Aviation Electronics Co. for sale to Germany and the Netherlands. Our expectations are that further orders from other countries for these equipments will be received.

In addition, as a result of our arrangements with Lockheed Aircraft Corporation, we have received orders worth approximately $15.5 million for the wings, rear fuselage and empennage of F-104 aircraft. Further such procurement from Canadian sources may result in substantial future orders.

Other Canadian equipment has also found a place on these aircraft and I refer specifically to the electronics equipment sold to Lockheed for inclusion in the F-104's that have been sold by that corporation to overseas governments. For example position and homing indicator systems produced by Computing Devices of Canada and sold to Lockheed for Germany involve a value of $2.1 million. I have, of course, already reported these Lockheed orders as U.S. production sharing subcontracts.

In our efforts in the European area we are not neglecting our traditional relationship with the United Kingdom. Two major sales of Canadian developed items to the United Kingdom in 1960 were the sale of de Havilland Beaver aircraft and also variable depth sonars produced by EMI-Cossor Electronics.

For the first eight months of 1961, some $2.5 million in actual prime contracts were placed through the Canadian Commercial Corporation alone, covering such diverse fields as flight and tactics trainers (Canadian Aviation Electronics) and variable depth sonars (EMI-Cossor). In addition de Havilland has received this year prime contracts direct from Ghana for Otter, Beaver and Caribou aircraft totalling about $8.4 million; Orenda Engines has received about $4.8 millions direct from West Germany for spares, and Jarry Hydraulics has received about $1 million direct from West Germany for power flight controls. Furthermore, Canadair has received this year about $1.3 million in subcontracts from German and Dutch prime contractors for components for the F-104, and Computing Devices received contracts for P.H.I. systems valued at approximately $8.3 million destined for Germany, France and Italy. Further orders for such equipment are expected from NATO countries and their prime contractors. In most cases these sales were part of major continuing programs placed in Canada as a result of technological skill, competitive pricing and active selling by Canadian industry with the assistance of government departments concerned. For the first eight months of 1961 the total overseas defence business reported by Canadian companies, including the above-mentioned contracts, amounted to $28.8 millions.

In all these activities my department is fortunate in that it has developed over the years the machinery and the specialized knowledge of production and procurement officers essential in the field of military procurement. This background now enables us expeditiously to promote Canadian capabilities to meet the defence requirements of allied countries wherever they may arise. The efforts required are most substantial, entailing, among other things, considerable liaison abroad. I should like to say that the members of my department are pursuing these matters with energy and dedication.

Our progress in our efforts to expand the use of Canadian defence equipment both by our overseas allies, and also by the United

States in our production sharing program has been encouraging. We shall continue these efforts in a most vigorous fashion.

Mr. Chairman, in light of the recent unfortunate change in the international situation, I wish to bring the house up to date on the planning for a war supplies agency that has been going forward in the emergency supply planning branch of the department since May of last year.

As I explained in presenting last year's estimates, and as the Prime Minister reiterated on September 13, the government has decided that should nuclear war break out a war supplies agency would be brought into existence immediately, by order in council under the War Measures Act, to assume responsibility for all aspects of control over the production, distribution and pricing of supplies for both civil and military purposes, with the exception of certain aspects of the agricultural and fishing industries.

An interim organizational structure for the war supplies agency, designed to meet the anticipated needs for the period immediately following nuclear attack, has been developed and approved. Within the over-all organization of the war supplies agency, there will be national, regional, zonal and local components, in conformity with the system of emergency government being developed by the emergency measures organization under the direction of the Prime Minister. The staffing of the national component of the war supplies agency has been completed by the selection on a stand-by basis of suitably qualified persons from various government departments and agencies in Ottawa. The staffing of the ten regional components, likewise on a stand-by basis, is near completion. I might add that the war supplies agency was fully represented at the national level during exercise TOCSIN 1961 and had a nucleus staff at each regional headquarters. In the further exercise to be held this fall the war supplies agency will participate fully at both national and regional levels.

In connection with the staffing of the regional components of the war supplies agency, hon. members might be interested to know that arrangements are being made with the various provincial governments to draw on their personnel resources as well as on the field staffs of various federal departments and agencies. Formal agreements to this end are currently being negotiated. The next step in the organization of what might be termed a "shadow" war supplies agency, will be the establishment of the appropriate components at the zonal and local levels. For this purpose we would expect to draw on the personnel resources of business and industry as well as on federal and provincial field staffs.

One of the major tasks of the war supplies agency, should it ever have to be brought into existence, would be to assess the country's surviving material resources. To provide the basis for making such an assessment, the emergency supply planning branch has initiated a research program designed to produce in readily useable form comprehensive inventory data on major stocks of essential commodities and related production facilities normally available in the country. This research program is necessarily long term in character, but substantial results have already been achieved with respect to the collection and processing of data on stocks of food and petroleum products. Methods have been developed in co-operation with the army and emergency measures organization for evaluating surviving resources after attack.

A third major aspect of our planning has been the preparation in draft form of various regulations and orders likely to be required by the war supplies agency in exercising effective control of supplies under conditions of nuclear war. Among other things, a plan for the emergency rationing of essential consumer goods is now before the government.

The staff of the emergency supply planning branch remains small. There are at present 12 officers at headquarters in Ottawa and five regional officers. Two additional officers for the headquarters staff and four more regional officers are currently being recruited.

Mr. Hellyer: I should like to thank the minister for his very thorough and almost exhaustive report. He has gone over the activities of the department very carefully and he has given us considerable detail with respect to the projects on which it is presently engaged.

Last year we went over most of the items of this department very thoroughly and consequently it is not our intention to debate them at length on this occasion, particularly in view of the fact that a considerable portion of the money being asked for has already been spent.

There are, however, one or two questions which we shall ask on the details, and there is one I should like to ask at this time under the general subject of administration. The minister mentioned that although the amount of production sharing which had been obtained from the United States so far this year was greater than in the first eight months of last year it is, however, only about half last year's total. I wonder if the hon. gentleman could give the committee some assurance that during the remaining four months of the year the amount of business obtained will bring the total up well beyond last year's figure.

Mr. O'Hurley: I should like to report to the hon. member for Trinity that this year, to date, at the end of August we had contracts and subcontracts for $79,925,000. Last year on the same date the figure was $65,095,000. Our prospects for the months to come are very good and we are positive that the result this year in production sharing is going to be very much higher than last year.

Mr. Carter: Last year in this committee there was some talk about contracts we hoped to get from Germany, Belgium and other European countries. Were we successful?

Mr. O'Hurley: The discussion at the time was concerned with the simulator program and possible orders from Germany, Holland and Belgium. We obtained those contracts. We won the competition and we were awarded the contracts. The simulators are being built in Montreal at the present time for those countries, as well as to satisfy the Canadian order.

Mr. Hellyer: Could the minister indicate in round figures the total amount involved in those contracts?

Mr. O'Hurley: As it stands today the figure is around $3 million, but the total contract is going to be worth more than $20 million.

Mr. Howard: My intention is to ask the minister a series of questions rather than to make specific comments. I placed some queries on the order paper before the summer recess and in due course I received some answers which are contained in sessional paper 267B of September 7. I should like to make some inquiries of the minister concerning the information contained in that sessional paper and the answers given to particular questions.

My inquiry had to do with subventions, or subsidies. The question which I asked was whether, since January 1, 1950, any subventions had been paid to any incorporated companies other than crown corporations and, if so, what was the amount of the subvention, the total amount paid to each company, and so on. Some of the information which was given to me by the Department of Defence Production contains the names of companies such as the Canadian Marconi Company, Canadian Steel Foundries, Canadian Steel Improvement, Canadian Vickers—a number of companies which have received subventions from the Department of Defence Production in respect of certain types of work. The information lists the fields of endeavour in which each of these particular companies are engaged—electronics, shipbuilding and the like for the period, I take it, from April 1, 1959 to May 31, 1961.

[Mr. Hellyer.]

In so far as one part of the answer is concerned a total of about $1,250,000 is shown as having been paid to these companies by way of subvention or subsidy. I wonder if the minister could explain the reason for these particular subventions. I do not know whether the hon. gentleman has before him a copy of this particular sessional paper. If he has, it will not be necessary for me to go into detail with regard to the particular companies. However, if the minister has not got the list I could go into greater detail. Before doing so, I wonder if the minister is familiar with this particular subject matter I have before me.

Mr. O'Hurley: I do not know whether this information would be sufficient but these subsidies or subventions are really payments in respect to pre-production and engineering assistance in connection with contracts for the United States. Would the hon. member for Skeena mind giving me a few examples? I have not got that paper before me today.

Mr. Howard: Certainly. For example, the first company mentioned on this list is Beaconing, Optical and Precision Materials, of Montreal, Quebec. They are engaged in the electronics business and they received a subvention during the period between April 1, 1960 and May 31, 1961, to a total amount of $23,000. The authority for payment is given as treasury board minute 573346 of December 12, 1960. The second entry deals with the same firm and the amount is $25,596 over the same period of time. I think that, perhaps, will be sufficient.

Mr. O'Hurley: I have a copy here of the answer given to the hon. member for Skeena at the time. These subventions were approved by treasury board, by the Department of National Defence and by the Department of Defence Production, this, of course, being a joint venture. The amounts are for tooling and pre-production so as to be competitive in obtaining United States contracts.

Mr. Howard: This was in order that we might be competitive with United States firms?

Mr. O'Hurley: In the United States market.

Mr. Howard: Does the same reason apply in respect to the subsidies paid to each of the companies listed? Was it a question of competition?

Mr. O'Hurley: Yes, Mr. Chairman.

Mr. Howard: I wonder if I might ask a further question of the minister based on the same order. This is headed "Establishment of Qualified Production Sources of Components and Materials". I take it this relates to something different because in some instances the

same companies are listed—the Canadian Marconi Company and Canadian Arsenals, for example. This also applies to subventions given for some other reason. The total for the four year period is shown as $811,715. There is a further reply headed "Sustainment of Canadian Industrial Technological Capability". This is for a three year period and the total amount is $4,919 million.

Can the minister explain what is meant by the heading "Establishment of Production Sources of Components and Materials", the further heading "Sustainment of Canadian Industrial Technological Capability" and offer an explanation concerning the various subventions?

Mr. O'Hurley: Mr. Chairman, the first question concerns vote No. 71. With a view to ensuring the maximum participation of Canadian firms in defence procurement, this requirement was first set up to establish qualified sources of supply of component parts and materials sufficiently in advance of Department of National Defence contract demands to lessen the dependence of end product producers on United States and other sources of supply. These are products we used to buy outside Canada which are now procured for the department in Canada. The program is essentially one of developing industrial capability in the military components field. It is to assist Canadian manufacturers to produce in Canada components to meet the requirements of the Canadian armed forces.

The hon. gentleman's other question related to vote No. 72. This vote was raised in 1959-60 to further the stated policy of the Canadian government of sustaining a research and development capability in Canadian industry with which to undertake the sharing of defence development and production tasks with the United States.

Mr. Howard: What is the future expectation with respect to engaging in subvention of this type? Will the activity diminish, increase or remain stable?

Mr. O'Hurley: Over the next few years we expect an increase in this activity which is valuable in providing work for Canadian industry. For the assistance of the hon. member I should point out that this activity prepares Canadian industry by assisting it to acquire skills that were not previously available. The benefit applies to defence and civil industries. They are able to acquire skills which they lacked previously and can thus produce material we formerly had to purchase outside Canada.

Mr. Howard: I cannot resist commenting that I find it strange that these private enterprise companies should require assistance through the government from the Canadian taxpayer. I am not complaining about our helping them from time to time in the development of Canadian industry to ensure that as much of this work as possible is done in Canada but these are rugged individualists who in this case are asking the Canadian taxpayer to take the risk for them.

Mr. Hellyer: Would the minister indicate to the committee what were the Canadian purchases for defence equipment in the United States for 1960 in relation to both contracts and subcontracts and what they have been this year to date?

Mr. O'Hurley: The following are the Canadian government's defence purchases placed directly in the United States. In 1959, prime contracts $47 million; subcontracts $61.2 million. In 1960, prime contracts amounted to $83.3 million; subcontracts $113 million. For the first six months of 1961 the figures are as follows: prime contracts $18.7 million; subcontracts $36.4 million.

Mr. Hellyer: These figures do not include contracts for defence equipment placed by Canadian industry directly in the United States?

Mr. O'Hurley: Yes, they do include those contracts which related to defence purchases.

Item agreed to.

Mr. O'Hurley: Mr. Chairman, now that the estimates of this department have been passed by the committee may I take this opportunity to extend my appreciation to hon. members of the committee. I think we have probably established a record for the passage of the estimates of this department. I wish to assure the committee of my continuing co-operation and understanding.

Mr. Hellyer: As long as the minister appreciates that this does not establish a precedent.

Resolutions adopted in committee of supply this day reported and concurred in.

FLAGS OF CANADA

MEASURE TO PROVIDE FOR A NATIONAL FLAG OF CANADA

On the order:

Resuming debate on the motion of Mr. Smith (Lincoln) for the second reading of Bill No. C-8, an act to authorize a Canadian flag.

Mr. John Pallet (Parliamentary Secretary to the Prime Minister): Mr. Speaker, the hon. member for Lincoln is unable to be here this afternoon. He has asked me to request the unanimous consent of the house to allow this order to drop. There are other bills on the order paper relating to a national

flag which will likely be reached and so the hon. member has requested unanimous consent to have this order dropped.

Mr. Speaker: Does the house give unanimous consent to the withdrawal of the order for the resumption of the debate on the second reading of Bill No. C-8?

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I suppose it would be ungracious not to agree to give unanimous consent, but this is such an extraordinary and bizarre bill it seems rather a shame to take it off the order paper. However, I will not on that account object.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, in my opinion this is such an extraordinarily interesting and unusual bill that it would be a kindness to the hon. member to permit it to be withdrawn from the order paper.

Mr. Speaker: Is it agreed that the bill be withdrawn?

Some hon. Members: Agreed.

Bill withdrawn.

CANADA ELECTIONS ACT

AMENDMENT REQUIRING DISCLOSURE OF CAMPAIGN FUND CONTRIBUTIONS

Mr. M. W. Martin (Timmins) moved the second reading of Bill No. C-50, to amend the Canada Elections Act (election expenses).

He said: Mr. Speaker, in rising to speak on second reading of this bill I might say that while technically we are dealing with the second reading, in actual fact we are really resuming debate on a bill that has been before the house for many years before I had the privilege of attending this chamber. It is very interesting also, and I think the house should be reminded of this, that such a bill has always been introduced by a member of this party. Similar bills have been introduced for many years by members of the C.C.F. party but unfortunately we have never had an expression of opinion of the house on the measure. The history of the bill in the past is that it has always been talked out, first by Liberal government members and then by Conservative government members. I should like to express the hope that after all these years we may have reached the stage where we can at least give second reading to the bill and accept the principle.

However, Mr. Speaker, the efforts of this group over many years have not been entirely lost because there is a growing interest and concern about this matter. We see examples of this right across the country from coast to coast. We are aware, and it has been referred to before, of the great assistance in this regard that was rendered by two members of the clergy in the province of Quebec who, having become most concerned about corruption that arose out of contributions to political parties, proceeded to write a very thought-provoking article in this regard that has had great and beneficial results, particularly in the province of Quebec.

I should like to make it very clear that this problem is not confined to that province. It is very fine for those of us who come from other provinces to point a finger at Quebec and say that the problem is much worse there than in any other province but unfortunately that is not the case, as I intend to prove in my few brief remarks when I refer to certain articles that have been written.

It is our contention that a great deal of the corruption and a great deal of the fear and uneasiness that are growing across the country can certainly be curtailed, if not eliminated completely, by the adoption of a measure such as Bill No. C-50 which compels political parties to reveal the sources of their funds. I recall that some two years ago when a bill similar in many respects was being debated in the house a question was asked by the hon. member for Vancouver South (Mr. Broome). I believe the hon. member for Port Arthur (Mr. Fisher) was speaking at the time. As found on page 2744 of *Hansard* for April 16, 1959, the hon. member for Vancouver South asked the following question:

> When your party evolves into the party you expect it to be, will you still be introducing a bill concerning the disclosure of election expenses.

I do not think there is any better answer than the fact that today, after the event has come about which was referred to two years ago, we who are now within the confines of the New Democratic party are introducing a bill similar to the ones we introduced when we were in the C.C.F.

We have also heard various spokesmen from the other parties expound the theory that it might be better if members did not know from where their support came. I believe that the same hon. member for Vancouver South expressed this idea as found on page 5308 of *Hansard* of June 30, 1959. I think he missed the point. The important thing is not that the candidate or member should know the source of these funds. Rather, it is that the public should know the source of these funds and that the house assembled here should know their source. Hon. members should know if breweries, contractors, yes, trade unions, contribute their money to support any political party. The house should know so that these factors can be taken into consideration when members are considering legislation that comes before the house. When legislation which is of

particular benefit to an organization that has contributed substantially to the party in power at any particular time, comes before the house I think it would be a very useful thing for the house to be fully aware of what has taken place in the past.

I should like to refer to two articles in recent issues of *Maclean's* magazine which deal with the subject matter of the bill now before us. The first one, written by Mr. Peter Newman, is found in the issue of May 6, 1961, some few months ago. It is entitled, "Who'll Pay the Record Shot for Our Next Election?". The subheading is, "The Smart Contributors Buy 'Insurance' with the Two Old Parties". The first paragraph reads as follows:

> No process in the working of Canadian democracy is surrounded by a climate of greater mystery than the collection of campaign funds by political parties. The innuendo of scandal is so strong that the details of party finances can seldom be traced beyond the whispered exaggerations of Ottawa gossip.

I think that is one mystery which, if it is going to remain, should be made an illegal offence. He goes on to express the danger, as he sees it, of the streamlining of what I would call this malpractice that has gone on for so many years in our country. He goes on to say:

> The Conservatives have set a precedent by appointing to the cabinet a man believed to be specifically charged with financial matters.

Certainly if that statement is true, and I do not know whether it is, it gives rise to further concern. Mr. Newman goes on to mention the methods used and says:

> The biggest donors, as in past elections, are expected to be the large corporations, indulging in what they call "necessary" giving. These are contributions made without any expectation of specific returns, beyond the preservation of free enterprise and the two party system. The donation is almost always split 60-40, with the party in power getting the bigger share.

The interesting thing about this suggestion is that it is verified in another article to which I should like to refer in a moment, an article written by no less a person than the former national organizer for the Liberal party. Mr. Newman goes on to deal with another group which he says is much more dangerous than the one he has already mentioned, and says:

> The most willing contributors to party treasuries are some of the contractors who deal in government work. They usually make the gift to the party in power fairly openly, but quietly also take out some insurance by making a smaller donation to the opposition.

Then he concludes his article by referring to what is probably the greatest known scandal of this kind that has ever hit a federal government.

The last paragraph of this article reads as follows:

> Meanwhile, the present system mysteriously continues to produce millions of dollars for the party war chests. Probably the most forthright clue came from R. O. Sweezey, the president of the Beauharnois Power Corporation, who in the late 1920's contributed about $700,000 to the Liberal party, after his company had secured hydro rights on the St. Lawrence. The contribution had been necessary, he said, because "gratefulness was always regarded as an important factor in dealing with democratic governments."

I think that outlines very clearly the situation. This problem has existed for many years in this country. In order to indicate that feeling of concern is growing, and growing at a very rapid rate, I should like to point out that not only was this article published in May of this year but we also find another one in a recent issue of *Maclean's* magazine. I should like to recommend this article to all hon. members. It was written by Mr. James Scott who, until recently, was the national organizer of the Liberal party. He says, "Political slush funds corrupt all parties".

There are some allegations or suppositions in this article of Mr. Scott's which I certainly cannot accept. For example, while he very frankly points out the contributions in the past and mentions specific cases, and after all as the national organizer of one of the two major parties in the country he should know what he is talking about in that respect, he goes on to say something to the effect that because the New Democratic party might have funds available to them in a somewhat unequal proportion to that of the other parties, the whole idea should be abolished.

I should like to submit that it is not in the giving of this money to political parties that the evil lies. I submit it is in the secretive giving. If any company wants to donate to the Liberal party or the Conservative party, it should be its privilege to do so. However, the public should be made aware of what it is doing. Then, the public could realize possibly why it is being done. As I say, it is very important when we have to deal with legislation in this house that we should be aware of any facts along this line. Mr. Scott endeavours to create the impression that it is just as evil for say a million members of the Canadian labour congress to contribute their 60 cents a year to the New Democratic party as it would be for one individual to contribute $600,000 a year to one of the other parties. I think any reasonable man would realize there is a great deal of difference here. Contribution of 60 cents a year from an individual would not place him in the same preferred position that a much larger contribution by an individual or by a company seeking favours from a government would be in as a result of that contribution.

Again, on page 67 of this issue of *Maclean's* for September 9, we find some very interesting point to which I should like to refer. As I say, both Mr. Newman and myself are in agreement as to what occurred in the past. I quote:

> However, the biggest corporate donors for the most part do not attempt to intervene directly in party policy. Generally speaking, they contribute to both the Conservative and the Liberal parties. The traditional split is usually 60 per cent to the party in power and 40 per cent to the party in opposition, but this is subject to many variations.

He points out how widespread this practice is. On page 67 I also find this:

> Nevertheless, nobody who holds office or hopes to hold office can ignore his benefactors. Any citizen of Canada can lay his views before the Prime Minister or the Leader of the Opposition but, human nature being what it is (and these men are human), a man whose firm donates $25,000 or $50,000 to a political party every election is likely to get through to the party leader a lot faster than somebody the party never heard of.

Now, Mr. Speaker, I say that the evil here is not in the giving. The evil is in the fact that nobody knows about it except the two parties involved; that is where the danger lies. Then, on page 69 of this article, I find this, and this is something to which I referred a little while ago when I said that the favourite pastime of every province was to point the accusing finger at the province of Quebec.

> It is often assumed in the rest of Canada that this occurs only in the province of Quebec, but this is far from the truth.
>
> A year or two ago, during a provincial election campaign in another province I received a call from a small contractor of my acquaintance. He told me he had been telephoned by an official of the government party of the province who instructed him to have $2,000 ready in cash by the following week. It would be picked up by a party legman and would be the contractor's contribution to the party's campaign funds. This man's entire business had been built up on government contracts and he asked me what to do. I told him to give the man the money and me an affidavit stating how and why he had made the contribution. We could have broken the whole thing wide open; my informant told me other contractors had received similar instructions. But they were all frightened. They all paid up and kept quiet about it.

It is not my intention to take up too much of this private members' hour in speaking on this subject. I think I have pointed out some of the dangers involved. I think I have pointed out the fact that this practice is widespread and has gone on for many years. I feel it is time this matter was given serious consideration because if this practice continues unabated it will undermine our whole democratic system. This bill, Mr. Speaker, is designed to eliminate this danger, and I hope it receives approval in principle in this house today.

Mr. Donald MacInnis (Cape Breton South): Mr. Speaker, in rising to take part in the debate on this particular bill today I do not need to go into any detailed complaining or crying as the hon. member who just resumed his seat has done. I am not exactly sure where he stands with regard to former C.C.F. policy and that of the New Democratic party. I should like to draw to the attention of the house the fact that he is in no position to try to bluff as he has done today. It is nothing short of a bluff when any member gets up in this house and tries to make a case based on facts derived from some national magazine, of which he has no personal knowledge and for which he is more or less dependent on someone else.

I say it is a bluff for the simple reason that the success of the former C.C.F. party—if it is a former party because that is yet to be decided in view of the fact there does not seem to be the collusion between the two parties that they would like to have—is directly related to its success in the field of collections. If I may put it another way, the success of his political party at the polls is directly related to its success in the field of collections. You can see for yourself why they get up and complain.

The hon. member has referred to the fact that it is the secrecy of the giving that is evil and dangerous. I think if the Canadian people were given a choice they would rather have secret giving than the intimidation which has been imposed upon the workers and trade union men of this country by this New Democratic party in extracting 60 cents a year from these individuals. I say "forced upon the workers of this country" for the simple reason that it is nothing less than that. They have evolved a system whereby 60 cents per capita be taken from the members of an affiliated union of the Canadian labour congress. If any one individual does not choose to pay this 60 cents, he is given this democratic right to contract out. How can any man in this house stand up and imply that he belongs to anything that is democratic when they collect 60 cents a head from every individual who belongs to an affiliated union of the Canadian labour congress? How can they refer to this procedure as democratic?

Mr. Martin (Timmins): Will the hon. member permit a question.

Mr. MacInnis: Yes.

Mr. Martin (Timmins): Is the hon. member aware of the fact that the only way in which he might be affiliated is by the democratic vote of his local?

Mr. MacInnis: This hon. member has more experience than and just as much knowledge as the hon. member for Timmins who has just taken his seat as to what goes on in local

unions. I can give him and the other members of his party quite a rundown of how this develops. I might say that if he himself professes to be democratic, he will stand up and deny the attitude adopted by the new party in that they are giving every man an opportunity to contract out on this 60 cents payment. If there is anything whatever democratic about their intentions in this new party, the attitude should be "contract in". It is just a matter of mass intimidation when they bring this matter before the union membership for a vote and certain trade unions are affiliated with the congress. The situation is that an individual is obliged to declare himself against something. This is not the nature of the union men. They do not necessarily want to declare themselves against anything. Usually it is for something that they want to declare themselves. However, you have now put a question to the men throughout the unions in Canada, asking them to declare themselves against something. They do not wish to do this. The result is that through mass intimidation you have a great number of union men in this country being forced to pay into what is called the New Democratic party and I place the emphasis on the word "Democratic". If there were any guts whatsoever in the Canadian congress, the principle would be not to contract out but rather to contract in. That would be something in the way of a democratic movement. But that is not the situation. What you have is intimidation. You say the secret way of doing things is evil and dangerous. I say that intimidation is far worse than that.

Mr. Martin (Timmins): Will the hon. member permit another question?

Mr. MacInnis: Yes; if it is a sensible question.

Mr. Martin (Timmins): Is the hon. member aware of the fact that this decision to contract in or out was an individual choice made by each and every affiliated trade union across Canada, a choice made by themselves?

Mr. MacInnis: I note that the hon. member said that it was an individual choice of every union across Canada. May I remind the hon. member now that what I am speaking of in the way of the democratic movement on the part of the New Democratic party are the rights of the individual, not the decision of the union bosses. This is a situation that I am fully aware of as it has gone on in my own union at home for some time, where the C.C.F. party collected a per capita tax from the united mine workers when the constitution of the mine workers itself did not permit it.

The hon. member speaks of the rights of individuals and refers to the choice of individual unions. But here was a case in which men were paying into the C.C.F. party or giving financial support to it while their moral support was going somewhere else. I put this question to the hon. member for Timmins and if I were permitted to do so I would put it in the way of a question to him and would allow him to answer it. They have the new party and they are going through this system of check-off whereby individual members will pay through a check-off to a political fund. When the request is put to the various companies or businesses through which the check-off will be asked to be deducted, what will the position of the new party be if the individual who agrees to this check-off, agrees with the condition that the check-off be taken for a political fund, that it be taken off and directed to the Liberal party while another person's is directed to the Conservative party? Are they then going to stand up and ask for the privilege of a check-off for the three political parties?

As a member of the Conservative party I certainly do not want any part of a check-off from a union man who supports my party. If he supports me through my party he does it voluntarily. If he pays to my party, he does it voluntarily and secretly. This is going to be the last party that would stand up and consider doing or attempting to do what is being done by the New Democratic party, even without intimidation, namely to ask and to collect fees from people who will be forced to pay 60 cents towards a political fund while they will go out and support another party. Something that is evident right across this country. Although the C.C.F. for years have been collecting through the check-off from the workers of the country, they still have not been collecting the votes. We ourselves will depend on the secret way, on what the hon. member considers to be the dangerous and evil way. I say to him, however, that the dangerous and evil way is the intimidation which they are placing on the union men of this country by asking them not to contract in but to contract out.

As a union man himself, the hon. member is fully aware that this is the least democratic approach they could possibly put to any kind of fund or check-off from the men for any such purpose. As I said before, this is a situation that has gone on for years with the C.C.F. party in Cape Breton. A few of the locals stood up and cut it off. But for years they have been collecting that per capita tax from the members of the union down there while the union constitution itself denies this as a right.

The hon. member talks about the individual. Still and all, this was something that was jockied into position by the executive of the union at the time, whereby the men were not given a choice at all. This money was just taken from them and paid into the coffers of the C.C.F. party. I could go on and tell what happened to some of that money also.

Mr. Martin (Timmins): Will the hon. member permit a question?

Mr. MacInnis: Yes.

Mr. Martin (Timmins): If the situation is as stated by the hon. member, namely that the C.C.F. somehow collected this money from the miners down there without their consent, how were some of the locals able to cut it off, as he also stated?

Mr. MacInnis: In a question earlier the hon. member referred to the individual choice of the union and I reminded him that he said "the individual", not the union. Now he wants an explanation as to how this was done. Again I say it was done by the union bosses. There was no referendum for the men with regard to the manner of this payment. Then one or two locals took objection to its being done and they stood up and asked that this money no longer be deducted. There was nothing then the union could do about it because there was no referendum held on it. Again I say this to the hon. member. If he wishes to inquire more about the working of these unions, I will give him a full and detailed explanation as to how it comes about. I do not think it is necessary for me to do that because I understand the hon. member is a union member and that he already knows the workings of it.

This thing has been going on for years. The C.C.F. party has collected this money, as I say, while the constitution of the united mine workers does not permit it. But here is a situation which went on, which has been stopped by the miners and which is again being imposed. Here is a condition being imposed upon the workers of this country by a per capita tax of 60 cents for every individual that belongs to a union affiliated with the Canadian labour congress. I say it is a shame. I would ask the hon. member, on union principles alone, to rise in his place and deny that contracting out is the proper way. I would ask him to rise in his place that is and support the idea that contracting in is democratic, as opposed to what they are trying to pull.

Mr. Martin (Timmins): Before the hon. member sits down, may I ask him one more question?

[Mr. MacInnis.]

Mr. MacInnis: Yes.

Mr. Martin (Timmins): Will the hon. member try to inform the miners of Nova Scotia that, like the rest of the country, they should run their union bosses instead of permitting the union bosses to run them, as I can only assume they did from the remarks made by the hon. member.

Mr. MacInnis: Excuse me, Mr. Speaker, would the hon. member repeat that question.

Mr. Martin (Timmins): Mr. Speaker, the hon. member has just informed the house that the miners in Nova Scotia are being run by the union bosses. Will he endeavour to tell them that the practice across the rest of the country is for the union members to run the union bosses, instead of the other way around, as is apparently the case in Nova Scotia.

Mr. MacInnis: Mr. Speaker, apparently I have to keep driving to get my point across. The hon. member has misinterpreted my remarks. The miners in Cape Breton decide what their union bosses should do. I have already pointed out that they took it upon themselves to stop the per capita tax that was being paid to the C.C.F. party. We stopped it where this was desired; and where it was not desired by the miners because of their affiliation to the C.C.F. party, it went on.

But the miners of my area and of my local in particular took it upon themselves to stop the C.C.F. per capita tax payment through the union check-off. The miners run the union, it does not run them.

Mr. Frank McGee (York-Scarborough): Mr. Speaker, I listened with a great deal of interest this afternoon to the speech of the hon. member who introduced this bill and also to the speech of the hon. member for Cape Breton South (Mr. MacInnis) who speaks with such authority and feeling on union matters.

Mr. Martin (Timmins): He speaks with such confusion.

Mr. McGee: It seems to me that in approaching this subject of campaign funds and campaign contributions the hon. member for Timmins (Mr. Martin) has fallen into a common error and has certainly departed from the direction and definition of his New Democratic party.

The tenor of the speech of the hon. member suggested that this matter of campaign giving was an evil thing; that the secrecy which clothed the contributions of individual members was hiding strange, dark shapes of men bent on twisting the purpose of parliament and corrupting the parties in this house.

When his colleague, the hon. member for Skeena (Mr. Howard) was speaking to a similar bill in 1959 he used the word "subvert". He said:

> These persons who contribute to political parties attempt to subvert parliament and the political parties within parliament.

I looked up the specific meaning of the word "subvert". It means, to overturn; to effect the destruction or overthrow of a party. The approach of the hon. member for Skeena and other hon. members who have taken this position in this discussion is repudiated by the people who have provided what has been described as the intellectual backdrop of the new party. The book "Social Purpose for Canada", edited by Michael Oliver, discusses many interesting things in connection with the new party. I have yet to appreciate how the principles defined in this book, which was written and rushed into print before the convention, are accepted by the New Democratic party.

I suggest that the hon. member read this book. I refer him particularly to page six and an article written by George Grant entitled "An Ethic of Community". He touches on this question of campaign giving and campaign contributions. He goes on to describe the support the established parties have obtained in various ways, and then he says this:

> In saying all this, however, it is necessary to disclaim any "cops and robbers" or "conspiracy" view of history, which would imply that our society is at the mercy of a few wealthy and powerfbul men with Machiavellian intentions.

Perhaps the hon. member should have checked before he proceeded with this bill again.

Mr. Martin (Timmins): Mr. Speaker, would the hon. member inform the house by whom those words were written? Did the hon. member say it was Grant?

Mr. McGee: George Grant is the name of the author.

Mr. Martin (Timmins): Does the hon. member know the gentleman's occupation or where he is from?

Mr. McGee: This particular book has been published, advertised and discussed. It is supposed to be, and is described as the intellectual backdrop of the New Democratic party. Being intrigued, as many of us were in all political parties, with all aspects of the New Democratic party I glanced through this publication to determine whether this particular group had anything to say about campaign funds.

I would mention one thing that has been said, and which I think has to be said. It is easy to indulge in hand-wringing and to deplore all the various incidents which have occurred in connection with campaign giving. However I think it must, and should be, placed on the record that people over generations have considered campaign giving an important and integral part of their social responsibilities, just as contributing to a church collection and the various types of funds and community drives which occur in everyday life.

It would be indeed unfortunate, it seems to me, to lump in with this suggestion of unlawfulness and illegal practices, decent, honourable and idealistic persons in our society who, supporting the party of their choice over the years, have provided on a continuing basis the money they know is necessary to provide continuity and the essential ingredients that keep a party alive and functioning, as parties must do in our society to sustain the very essence of our democracy.

In connection with the articles written in *Maclean's* magazine, I am not suggesting for a moment that abuses have not taken place. The evidence is of course there. But I am suggesting that the men of obvious Liberal background and persuasion who contributed substantial sums of money to the purchase of a home for the current leader of the opposition, when the leader of the opposition of that day happened to be a Conservative, had no malicious or malevolent idea behind their contributions. Since the government has changed and that house is occupied by the Leader of the Opposition (Mr. Pearson), men who are Conservative supporters have donated to the refurbishing and continuing expense of that home. Is there any evil motive in this?

This book also contains another very interesting passage. I do not think I am at liberty to disclose the name of the gentleman in question, but he is well known to several hon. members of this house. He contributed substantially to one of the established parties, and in cases where an individual had the particular characteristics and attributes which he admired and respected, he supported that person regardless of political party. Another thing he supported is what is described on page 77 of this intellectual backdrop to the new party in an article entitled "The Mass Media" written by Neil Compton. He is discussing the small magazines in Canada today and he refers to the "scholarly and literary quarterlies we now have in plenty". However, he adds, "the poor old *Canadian Forum* once a mighty power in the land is perhaps the only publication in existence which could

conceivably fulfil this role." He is talking about the role of social and political criticism. He goes on to say:

> Unfortunately the *Forum* has for some years been deprived of the private subsidy which once took care of its deficit.

Then he goes on to explain the problems they have in applying to the Canada Council as part of their efforts to sustain this particular magazine.

The private subsidy referred to which kept that organ of socialist opinion alive and coming out on a monthly basis was this same individual whom I mentioned a few moments ago. Is the hon. member going to group that particular individual in with implications and suggestions of what amounts to banditry involved in the contributions? As I say, abuses have unquestionably taken place but there are surely distinctions to be made. I could go on for a considerable time to discuss other persons, honestly motivated and with the highest ideals who should not be included in the company at which the hon. member was sneering.

This question of secrecy is involved, again, with the implication that something evil was being hidden. There is a question of privacy and a question of secrecy in the sense of privacy in insisting, as we have insisted throughout our democratic process, on the secrecy of the ballot, on a man's right to cast his vote for the party of his choice and for that fact to be known to him and to him alone. The hon. member for Cape Breton South (Mr. MacInnis) has been disturbed about certain aspects of this within the union structure. What disturbs me about this whole pattern of political giving and the bill put forward by the hon. member is the question of privacy and the right of privacy in party affiliation—a right which must be guaranteed to the wage earner and to the man who is giving a dollar as well as to the man who is giving $50 or $100. In our democratic society each is entitled to the same basic right of the secrecy of the ballot. What concerns me about contracting out, and what concerns me almost as much with regard to contracting in, is the fact that a man has to stand up among his fellow workers and declare that he is for or against when contributing his particular amount of money to a cause, or refraining from doing so. If we have reached the point where in the hon. member's view we should no longer be concerned about the secrecy of the ballot; if he thinks that everybody who supports a political party must, in effect, wear a label and advertise the fact, then let us discuss that, at least it is a subject for debate. But we must not lose sight of the right of the small giver as well as of the man who contributes larger sums to the privacy of the ballot, and the right to privacy with respect to the support he may care to give regardless of the size of his contribution.

Legislation has been passed in almost every democratic country in the world on this question. Attempts have been made to place ceilings on the amount of contributions; attempts have been made to place limitations on the size of campaigns in relation to the number of voters, and so on. These measures were discussed at length in the committee on privileges and elections the year before last when the Canada Elections Act was revised and I question the statement made by the hon. member earlier in his remarks that the house has never expressed an opinion on this particular matter. Perhaps when the hon. member for Queens (Mr. Macquarrie) who was the distinguished chairman of that committee, rises later in the debate he might recall what decision was reached concerning this particular bill, or whether in fact this particular bill or resolution or amendment was placed before the committee during its hearings. Unfortunately, I was unavoidably absent from one or two of the meetings and the question might have come up during that time, but I do not personally recall this particular proposal which, the hon. member says, was brought before the house on a previous occasion. My impression is, subject to correction, that this was not brought forward at that time though that was the real opportunity to have it considered and decided.

As I was saying, in every democratic country attempts have been made to curtail and control the expenditure and the extent of election campaigns. I wish the hon. member for Peterborough (Mr. Pitman) was in his place today because I should like to ask him: what about the salaries of the union organizers who were brought in from many sections of the province and even from outside the province to assist him in the Peterborough by-election. I should like to ask him whether the salaries paid to those men for work they were not doing in the towns and cities from which they came were declared. Were those salaries listed as part of the expenses? How would one assess factors like these in any scheme of listing election expenses? In my own particular case, for instance, in the latter days of the campaign a number of my friends and supporters who are self-employed spent, perhaps, half an hour a day in their offices and the rest of it on the hustings in support of the campaign we were putting on. Work of this kind obviously has some value attached to

it. But how is it to be evaluated and how is one to place a ceiling on the amount? How is it to be calculated?

I might offer a personal observation here. If I had to choose between almost any amount of money and an individual who would be willing to go out on the stump and on the doors I would take the willing individual over many hundreds and, possibly, thousands of dollars any day of the week. My particular interest, then, has moved in the direction of finding some other way out of this dilemma. The failure of the legislative attempts to control the pattern and extent of campaign giving and expenditure prompts me to turn to other more constructive solutions. Some years ago, in 1958 to be exact, an experiment was undertaken in the United States in relation to campaign funds. As the hon. member stated, there is certainly concern about this question across the country and I think perhaps a solution might be found along the lines of broadening the base of political contributions. In 1958 the American heritage foundation launched a campaign whose slogan was "Don't Pass the Buck—Give a Buck to the Party of Your Choice". Some serious mistakes were made but notwithstanding this, important results were achieved. This campaign was carried on with the co-operation of the association of radio, television, magazine and newspaper advertisers. Had the space and time taken in the mass media been purchased in the ordinary way that campaign would have cost $10 million, but the message was carried by all the advertising media as a public service. As I indicated, several mistakes were made and I should like to discuss them briefly because I think that if we decide to undertake a similar campaign in Canada, as we should, we could profit greatly from those errors in approach.

In the initial instance a sample was taken of public opinion in the United States. It was found that some 17 million families would be willing to contribute at least $5 each, a total of $85 million, if someone were to ask and the means were to be provided for making this contribution. The business and professional people who were questioned said they would contribute. One out of three workers and farmers said they would contribute. I believe that this clearly shows a willingness on the part of people generally to contribute to the party or candidate of their choice.

Unfortunately the instructions contained in the advertisements were to the effect that this money should be given to a qualified representative of a party who called at the home of the individual. Naturally, only a small percentage of the individuals were called upon by a qualified and accredited member of a party. Estimates have been made as to the amount which was lost as a result of that particular error, one, incidentally, which I hope to correct in a bill dealing with the same subject which I trust we shall have an opportunity to discuss in greater detail later in the session.

Another difficulty encountered in the experiment is one which caused a great deal of consternation on the part of the American heritage foundation. They could not reach agreement between the political parties as to whether the individual candidates in an area should receive the donations or whether they should go to the city, county, state or national organizations. As hon. members will appreciate this produced many difficulties.

I have approached several national organizations and asked them if they would be interested in promoting this idea so we could have an equivalent program undertaken in Canada before the next election. Of course, there is an additional difficulty in Canada. Because it is known in the United States when elections will be held it is possible to schedule the programming of this type of campaign, but our system being what it is it would be more difficult to organize the type of campaign that would be necessary. I have outlined some of the difficulties that have been or could be encountered but, as I am sure all hon. members have concluded, they are not insurmountable.

As I said at the beginning of my remarks this approach to campaign giving does not entirely solve the existing problem although it does broaden the base of party financial support without producing necessarily a political utopia. I feel it would produce many attendant advantages. For instance, it would lessen the dependence of political organizations and candidates on wealthy contributors and on special interests. It would stimulate men and women of lesser means to run for public office and encourage independent thinking on the part of our public servants. The fact that an individual lacks funds to conduct a campaign in a bid to enter public life is surely an important factor. Above all it would add new vigour to our two party system by encouraging our citizens to take a livelier interest in political activity. It seems to me that this would be the most beneficial aspect of the program. A person who has a stake, however small, in a political party is far more likely to take a sustained interest in its activities.

The continued vitality of our democratic form of government depends upon active participation by citizens in the selection and support of candidates for public office. These fairly small campaign contributions are part of the price we should be willing to pay for

the privilege of living in a democracy. I should explain that I have freely drawn during the course of my remarks from an article which appeared in the New York *Times* magazine in June 1958 when this campaign was initiated.

With the difficulties and failings of the experiment as I have outlined them, the campaign produced approximately $15 million. This was a non-presidential election. During one Easter recess I visited New York and I had several interesting discussions with political figures in that city concerning the details of this matter. The best guess that could be made was that $15 million was collected and the money was contributed in a ratio of $9 million to the Republicans and $6 million to the Democrats. These estimates of course vary, but the American heritage foundation and other persons connected with politics estimate that had the campaign been conducted without the difficulties I cited the resultant contribution would have been $35 million or $40 million.

I return now to my original proposition. Difficulties unquestionably exist but I feel the solution lies not exclusively along the lines the hon. member suggested. We should move into a constructive role, broaden the base of political participation and support and thus produce, I am certain, a healthier democracy.

BUSINESS OF THE HOUSE

Mr. Chevrier: Mr. Speaker, may I inquire what the business will be on Monday and the order of that business if the house leader can give it to us. I also wonder whether he could outline the business for the whole week if that is possible. When that is done I find there is a much better opportunity of making progress with the business of the house. I am sure the house leader will be pleased with what has been accomplished by parliament during the course of this week.

Mr. Churchill: Yes, Mr. Speaker, we have made good progress this week. The outline of business for Monday is as follows. The first item to be taken will be No. 6 on today's order paper, the resolution in the name of the Prime Minister respecting the observance of the centennial of confederation in Canada. The second will be the resolution in the name of the Minister of Public Works with respect to amendments to the National Housing Act, No. 8 on today's order paper. The third will be the resolution in the name of the Minister of Finance relating to school lands and school land funds in the prairie provinces, No. 9 on today's order paper. The fourth item will be second reading of the bill relating to the Pine Point railway. If those items are completed we will then resume our study of the Civil Service Act, Bill No. C-71, No. 1 on today's order paper.

I have given the order of business for Monday. Depending on the progress made, the business for Tuesday will probably follow in the same order, if the resolutions I mentioned carry. The only other item that might be brought forward on Tuesday would be a resolution concerning amateur sport but I shall leave that open until I see how far we progress on Monday. If we complete the items I have mentioned including finalizing our study of the Civil Service Act, it might well consume two full days.

Again leaving it open for review on Tuesday night, if we have some legislation which could be proceeded with we might continue with it on Wednesday which is a short day. This decision might be made. Otherwise, we would go on with the estimates. With regard to the estimates the hope is that next week we could complete the departments of labour, transport, health and welfare and, if things go well—

Mr. Chevrier: The house leader is doing very well now.

Mr. Churchill: Shall I stop at that point?

At six o'clock the house adjourned, without question put, pursuant to standing order.

ANSWERS TO QUESTIONS

The following answers, deposited with the Clerk of the house, are printed in the official report of debates pursuant to standing order 39:

SUPERINTENDENT'S POSITION, FORT LENNOX, QUE.

Question No. 291—**Mr. Dupuis:**

1. Is the position of superintendent at the historic site of Fort Lennox, Ile-aux-Noix, Quebec, still vacant?
2. If so, has a competition been held to fill such position?
3. If not, who holds the said position, when was such person appointed, and what salary is he being paid?
4. In the absence of a superintendent, who is in authority on the island; how old is such person, what is his salary, and what are his qualifications?
5. How, by whom, and when was such person so appointed?

Answer by: **Hon. W. G. Dinsdale (Minister of Northern Affairs and National Resources):**

1. Yes.

2. The competition was held by the civil service commission during the spring but none of the 21 applicants was considered qualified for the position. A second competition is now in process, but a decision has not been reached.

3. N.A.

4. Mr. Vildac Arteau, as caretaker of the Fort Lennox national historic park, is in authority on the island. He is 55 years old, his wages are $1.50 per hour for a 44 hour week. He is an experienced works foreman and is considered to be carrying out his duties very capably.

5. Mr. Arteau was hired by the department as of November 10, 1960, as a result of the retirement of Mr. Romeo Soutiere, the former custodian of Fort Lennox.

SMALL BOATS—PROPOSALS TO CONFERENCE

Question No. 295—**Mr. Benidickson:**

1. What proposals, suggestions, etc., on behalf of the federal government were advanced to a recent conference with the provincial authorities and others, to consider new regulations and/or laws relating to small boat operations, and the licensing of small boats, or the licensing of operators thereof?
2. Did representatives of the federal government for such conference prepare and distribute documents and memoranda on the subjects for distribution to those representing non-federal government authorities?
3. If the answer to paragraph (2) is in the affirmative, what is a short title or description of each of such documents, memoranda, etc.?

Answer by: **Hon. Leon Balcer (Minister of Transport):**

1. No concrete proposals were advanced by the federal government representatives on this occasion but many problems and possibilities regarding small boat regulation and safety were considered by the conference, including the idea of licensing of small boat operators; the desirability of increasing the scope of licensing of small boats, and restrictions on the operation of small boats in local waters, at the request of local authorities. No attempts were made to achieve a solution at this time since it was felt that this first meeting should be of a purely exploratory nature.

2 and 3. Representatives of the federal government distributed the following material on the subject to those representing non-federal government authorities:

(a) Letter to all provinces, dated June 15, 1961, confirming meeting to be held September 6, 1961, and informing provinces they would receive a further letter outlining problems to be discussed and some proposed solutions.

(b) Letter to all provinces, dated July 31, 1961, and enclosing a draft agenda and brief outline in regard to: (I) licensing of small boats, (II) licensing of operators, (III) restriction of designated areas, (IV) drowning statistics.

(c) A copy of small vessel regulations with amendments.

(d) A copy of the booklet "Safety Afloat" for 1961.

Supply—Items Passed

[The following items were passed in committee of supply]:

DEPARTMENT OF NATIONAL DEFENCE

Royal Canadian Air Force—

239. Operation and maintenance, $536,666,000.

240. Construction or acquisition of buildings, works, land and major equipment, $235,887,000.

Defence research and development—

Defence research board—

241. Operation and maintenance, $24,993,564.

242. Construction or acquisition of buildings, works, land and equipment, $5,810,813.

243. Development, $14,200,000.

Mutual aid—

244. Contributions to infrastructure and military costs of The North Atlantic Treaty Organization and the transfer of defence equipment and supplies and the provision of services and facilities for defence purposes in accordance with section 3 of The Defence Appropriation Act, 1950, not exceeding a total of $40,798,000 including the present value of defence equipment or supplies or the cost of services made available by the Canadian forces estimated in the amount of $24,848,000 and provided by appropriations for those forces in the current and former years in respect of which, notwithstanding subsection (3) of section 3 of the said act, no amount shall be charged to this appropriation or paid into a special account; provided by this vote, $15,950,000.

National defence general—

245. To authorize, notwithstanding section 30 of the Financial Administration Act, and subject to allotment by the treasury board, total commitments of $2,674,046,619 for the purposes of the foregoing votes relating to national defence, regardless of the year in which such commitments will come in course of payment (of which it is estimated that $1,123,561,879 will come due for payment in future years), $1.

General services—

246. Grants to military associations, institutes and others as detailed in the estimates, $230,795.

247. Grants to the town of Oromocto, subject to the approval of treasury board, for municipal services including the maintenance and operation of schools and to promote the development of the town, $2,000,000.

248. Grants to provinces and municipalities for civil defence and related purposes, $4,350,000.

Pensions and other benefits—

249. Civil pensions, as detailed in the estimates, $3,406.

250. To authorize in respect of members of the Royal Canadian Air Force on leave without pay and serving as instructors with civilian training organizations operating under the British Commonwealth air training plan who were killed, payments to their dependents of amounts equal to the amounts such dependents would have received under the Pension Act, as amended, had such service as instructors been military service in the armed forces of Canada, less the value of any benefits received by such dependents under insurance contracts which were effected on the lives of such members of the Royal Canadian Air Force by or at the expense of the civilian organization, $2,780.

482. To authorize loans to be made in the current and subsequent fiscal years in respect of housing projects constructed, pursuant to an agreement with the Minister of National Defence, for occupancy by members of the Canadian forces; such loans to be at interest rates and in accordance with such terms and conditions as the governor in council prescribes, $5,000,000.

Defence research and development—

Defence research board—

541. Construction or acquisition of buildings, works, land and equipment—further amount required, $1,100,000.

General services—

542. Final instalment on grant to assist in the construction of the soldiers' memorial hospital at Middleton, Nova Scotia (Revote), $33,897.

Pensions and other benefits—

543. To provide that Herbert John Weatherhead be deemed to have been designated by the governor in council pursuant to paragraph (f) of subsection (1) of section 4 of the Public Service Superannuation Act on the 1st day of October, 1960, and that he be deemed for all purposes of the said act to have been a contributor thereunder during the period October 1, 1960, to November 20, 1960, $1.

544. To authorize in respect of members of the Royal Canadian Air Force on leave without pay and serving as instructors with civilian training organizations operating under the British Commonwealth air training plan who were killed, payments to their dependents of amounts equal to the amounts such dependents would have received under the Pension Act, as amended, had such service as instructors been military service in the armed forces of Canada, less the value of any benefits received by such dependents under insurance contracts which were effected on the lives of such members of the Royal Canadian Air Force by or at the expense of the civilian organization—further amount required, $2,590.

545. To authorize the governor in council, in respect of persons that elected to come under part V of the Militia Pension Act or the Defence Services Pension Act, to prescribe the terms and conditions under which a period of service in respect of which such persons, while subject to parts I to IV of either of the said acts, made a payment to the receiver general that purported to be a deduction, shall be deemed to be pensionable service for all purposes of the Canadian Forces Superannuation Act (or a former act as defined therein) from the date of such election to come under the said part V, $1.

546. To authorize the treasury board to make regulations respecting the counting as pensionable service, for the purposes of the Canadian Forces Superannuation Act, of any period not otherwise countable as such, during which a person, before becoming a contributor under the said act, performed on a full-time basis duties of a kind specified in the regulations to be for the benefit of the crown in right of Canada, and providing, except in the case of a person who has ceased to be a member of the regular forces (for which case the regulations may otherwise provide) that the Canadian Forces Superannuation Act shall apply as though such period were a period of service in a portion of the public service of Canada that is countable pursuant to clause (A) of subparagraph (ii) of paragraph (b) of section 5 of that act with effect from a day specified in the regulations, $1.

547. To authorize the governor in council to make regulations prescribing the terms and conditions under which a period of full-time service during time of war or otherwise in an organization or position that, in his opinion, was in support of any of the forces specified in clauses (E) and (F) of subparagraph (ii) of paragraph (b) of section 5 of the Canadian Forces Superannuation Act

may, for the purposes of that act, be counted by a contributor as if such service were a period of service in the forces specified in the said clauses, $1.

DEPARTMENT OF DEFENCE PRODUCTION

A—Department—

67. Departmental administration, $9,574,385.

68. Care, maintenance and custody of standby defence plants, buildings, machine tools and production tooling, $888,700.

69. For the establishment of production capacity and for capital assistance for the construction, acquisition, extension or improvement of capital equipment or works by private contractors engaged in defence contracts, or by crown plants operated on a management-fee basis, or by crown companies under direction of the Minister of Defence Production, subject to the approval of treasury board, $1,590,000.

70. Grants to municipalities in lieu of taxes on crown-owned defence plants operated by private contractors, $145,300.

71. To establish qualified sources for the production of component parts and materials, subject to the approval of treasury board, and to authorize commitments against future years in the amount of $300,000, $607,000.

72. To sustain technological capability in Canadian industry by supporting selected defence development programs on terms and conditions approved by treasury board, and to authorize, notwithstanding section 30 of the Financial Administration Act, total commitments of $16,500,000 for the foregoing purposes during the current and subsequent fiscal years, $5,500,000.

B—Crown companies—

73. Expenses incurred by Defence Construction (1951) Limited in procuring the construction of defence projects on behalf of the Department of National Defence and procuring the construction of such other projects as are approved by treasury board, $3,462,317.

Canadian Arsenals Limited—

74. Administration and operation, $3,880,230.

75. Construction, improvements and equipment, $302,075.

A—Department—

507. For the establishment of production capacity and for capital assistance—further amount required, $1,240,000.

APPENDIX

NEW BRUNSWICK—EXCHANGE OF CORRESPONDENCE ON TAX COLLECTION ARRANGEMENTS

THE PREMIER

Fredericton

July 19, 1961

My dear Prime Minister:—

It has now been possible for my colleagues and I to consider in detail your letter of June 16th regarding the federal-provincial tax-sharing arrangements to prevail after March 31, 1962. We are most disappointed that the federal government's position is rigidly unaltered from that outlined in your proposals at the conference in February. We do recognize that federal concessions have been made on two matters, but it is our firm belief that these are minor in nature and unrelated to the tax-sharing arrangements between our governments. It was also a further disappointment to us to learn that the federal government has seen fit to completely disregard all the proposals made by the provinces, both at the conference itself, and in the ensuing discussions by the committee of officials.

At the conference in February, our main criticism of the new proposals was directed at the provisions with respect to equalization payments generally, and the specific proposal to include the Atlantic provinces adjustment grants within the framework of these provisions. With respect to the equalization provisions, the new proposals remove emphasis from fiscal need, and substitute for it the increased ability to raise personal and corporate income taxes. This has the effect of discriminating against low income provinces like New Brunswick and will result in higher levels of taxation, relative to the rest of Canada, if national average standards of services are to be maintained.

The other aspect of the equalization provisions which we believe to be unrealistic and discriminatory, i.e., the inclusion of natural resource revenues in the formula, remains unchanged despite the many arguments which have been raised against it. In February, it was suggested that this proposal would provide a better measurement of the fiscal needs of the provinces, but we cannot see how this can possibly be the case. Surely, if better means of measurement are required, then a number of other provincial revenue sources must also be included. The choice of this particular revenue source has neither been defended nor explained in this context, and your letter of June 16 merely repeats the federal sentiments expressed in February.

Generally, your proposals with respect to equalization payments will have the effect of reducing our revenues from this source by nearly two and one half million dollars. To offset this loss, it is proposed to increase the Atlantic provinces adjustment grant by three million dollars, which will provide a gain of some $600,000, or approximately one dollar per capita. This addition to revenues does not compare favourably with that of three dollars per capita for Ontario; $2.76 for Nova Scotia; $9.30 for Prince Edward Island; and $4.66 for Newfoundland. These are unalterable facts based on federal projections of revenues for the fiscal year 1962-63.

Furthermore, we strongly resent the inference drawn by the federal Minister of Finance in the House of Commons (see *Hansard*, July 11, 1961, p. 7928) that New Brunswick's share of the total of equalization payments available would rise substantially under the new proposals. The statement that New Brunswick's share of 6.4 per cent in 1957-58 would rise to 11.9 per cent under the new agreement is not only misleading but represents a rather insidious use of statistical techniques. A more proper comparison would be the last year of the current agreement with the first year of the new agreement. Excluding the Atlantic provinces adjustment grants, New Brunswick's share of the total equalization fund falls from 9.3 per cent to 8.8 per cent, while that for Nova Scotia rises from 10.8 per cent to 11.2 per cent; and that for Prince Edward Island, from 1.8 per cent to 1.9 per cent.

Finally, you have also indicated a complete rejection of our proposal that the Atlantic provinces adjustment grants should stand as a separate and distinct feature of the tax-sharing arrangements, and should not be included in the calculations of guaranteed payments to the provinces. This proposal was made in all sincerity based on the written record that these grants were of a special nature and were to be kept apart from the normal agreements. As such, my suggestion, which was reiterated by my officials at later

meetings, received the support of all the provinces of Canada, with the possible exception of one.

To all of us, it is clear that the Atlantic provinces will not get the full benefit of the ten million dollar increase proposed, but will in fact receive only a portion of it. We have consistently objected to this proposed procedure and have raised strong arguments against it. These arguments have not been answered, but have been dismissed with the comment that "this seems a reasonable procedure".

Both my colleagues and myself, along with the great majority of the other provinces, sincerely regret that the special nature and high objectives underlying these adjustment grants are to be destroyed merely to disguise the fact that the equalization formula provides a level of payments inconsistent with the fiscal needs of one entire region of Canada. I must urge you, Mr. Prime Minister, to reconsider whether the interests of the people of this region and the entire country are being best served by this procedure, which involves a saving to the federal treasury of only a few million dollars.

At the February conference, the federal proposals indicated that the provinces must assume the responsibility for levying their own personal and corporation income taxes to the extent of the federal withdrawal from these fields. Although we disagreed with this proposal, we did feel that this would provide the province with certain advantages in the field of provincial fiscal policy. In fact, you yourself suggested that the provinces would then be able "to impose, vary and adjust their levies from time to time as may be necessary in the light of their responsibilities to their provincial taxpayers and without recourse to the federal government".

From the subsequent meetings of officials and from your letter of June 16, we now find that the federal government wishes to restrict the provinces with respect to this type of flexibility in taxation. In other words, the province is not to be permitted the right of adjusting the tax base, or of altering the rate of progression, but has merely the right to determine the percentage of the federal rate which it is to impose.

In addition, there are no provisions to protect the interests of the provinces from the effects of changes in the federal rates which would significantly alter provincial revenues. The federal government, as indicated in your letter, reserves the right to alter its rates, whenever necessary for fiscal or other reasons, but the provincial percentage rates, once fixed, "must be constant throughout the year". These restrictions will inevitably produce a great deal of instability and uncertainty in provincial financing, and may well result in significant reductions in revenues.

My reaction, and that of my colleagues, to these proposals is one of great disappointment and dissatisfaction. If there were available to us a suitable alternative, I am certain that our collective reaction would be a complete rejection of your proposals and a demand for more equitable treatment. However, no reasonable alternatives are available and we feel we must inevitably accept the federal position, no matter how arbitrarily it is taken. In view of this, and the many reasons expressed above, I am certain that many of the provincial premiers will join with me in urging you to call a final fiscal conference immediately, in order to permit further discussion of the proposals reiterated in your letter of June 16.

Having regard for the importance of the matter, and the fact that a precedent for such a conference exists, I am certain that you will agree that not to follow such a course would be a complete departure from the spirit of cooperation and flexibility which has been present in the past.

Yours very truly,
LOUIS J. ROBICHAUD

The Right Honourable John Diefenbaker
Prime Minister of Canada
Ottawa, Canada

Ottawa,
August 30th, 1961.

Honourable Louis J. Robichaud, M.L.A.,
Premier of New Brunswick,
Fredericton, New Brunswick.

My dear Premier,

Your letter of July 19 which requests a further dominion-provincial conference to consider the federal-provincial fiscal arrangements for the five year period commencing April 1st, 1962, has been given consideration.

It is a matter of regret that you have chosen to be so critical of the federal proposals which are in fact the most generous proposals ever offered by a government of Canada to the provinces. You have chosen to ignore the concessions and improvements contained in the proposals made at the dominion-provincial conference of February 23 and 24, and to refer only to what you describe as two minor concessions described in my letter of June 16. In this connection it is well to recall that the federal proposals advanced in my letter of June 16 followed three dominion-provincial conferences. At the conference of July 26 to 28, 1960, the provinces presented their views on the possible arrangements for the period after April 1, 1962. The

federal government considered these provincial proposals carefully which in the aggregate have been estimated to amount to over $2 billion per annum—an additional sum far in excess of what the federal government could or should impose on the taxpayers.

As a result of the consideration of the provincial proposals presented at the July conference, it became clear that the tax rental system was unsound and I made certain suggestions at the conference held October 26 and 27, 1960. I suggested that since the federal government was not in a position to finance the additional expenditure which the provinces judged to be necessary for the proper discharge of their responsibilities, the provinces themselves should again assume the task of levying their own taxes. I stated that the federal government was prepared to recommend to parliament that the federal taxes on personal income, corporation income, and estates be reduced by 14-9-50, that is, by the standard rates then in effect. In addition, the government was prepared to recommend that an equalization fund of $220 million per annum be made available to the provinces to be divided as they saw fit provided that the Atlantic provinces each received at least as much under agreed division as they then received from equalization, Atlantic provinces adjustment grants, and the additional grant to Newfoundland.

Apart from the fact that some provinces were not anxious to reassume their constitutional responsibility for levying taxes for the support of their expenditures, provincial criticism of the October suggestions was largely on the grounds that the federal withdrawal should be greater than existing standard rates and that equalization should include a growth factor. The federal government responded to these provincial requests by making very generous concessions in the proposals of February 23 and 24, 1961. The federal withdrawal of 14-9-50 offered at the October conference was increased to 16-9-50 for the first years of the new period and was to rise progressively throughout the period, reaching 20-9-50 in the final year. This was an increase of more than 40 per cent in the federal withdrawal from personal income tax over the present share and over the withdrawal offered at the October conference, and it raised the provincial share of personal income tax to an amount in the final year of double the 10 per cent in effect when this government took office. Second, the federal government proposed a new system of equalization broadened to take account of the most variable of all provincial revenues, namely, revenues from natural resources. However, equalization payments under the system proposed will rise year by year with the growth in standard taxes and revenue from natural resources thus fully meeting the request of the provinces for the inclusion of a growth factor. Third, the federal government offered to recommend to parliament an increase of $10 million per annum in the Atlantic provinces adjustment grants. Fourth, the federal government offered to collect without charge the provincial personal income and corporation income taxes at whatever levels of tax the provinces chose to impose thus restoring to them without adding to their administrative costs a freedom and flexibility they had been so long denied under the tax rental system.

The February proposals constituted considerable additions to and changes of the October suggestions and represented the federal government's willingness and desire to achieve an equitable and harmonious settlement with the provinces within the framework of the constitution. Following the February conference, careful consideration was given to further representations of the provincial premiers. This was done both at the official level in two meetings of the continuing committee on fiscal and economic matters and by further review of the various aspects of the proposals by the federal government itself. As was explained in my letter of June 16, the government took account of the representations which had been made with respect to the sharing of the tax on certain public utility corporations and agreed to extend this sharing for the next five years. In addition, the government offered a substantial concession with respect to taxes on logging income by offering to provide a tax credit if the provinces would take similar action although bearing a smaller part of the cost.

You have disregarded these latter concessions and the considerable adjustments which were made to the original October suggestions for the benefit of the provinces. I am reminded of the aptness of a statement made by the then prime minister, the Right Honourable Louis St. Laurent, as shown on page 2016 of *Hansard* of March 12, 1956. In answer to a question as to whether any further concessions were made to the provinces, he replied, "Mr. Speaker, the provinces would not admit that anything that is proposed is a concession".

Your letter raises a number of points which you allege support your request for another dominion-provincial conference. These have already received careful consideration. In my letter of June 16 I dealt at length with the issues raised and the decisions which have been reached with respect to the various aspects of the proposals. The Minister of Finance, in introducing the new federal-pro-

vincial fiscal arrangements bill in the House of Commons on July 11, 1961, gave a complete statement of the federal proposals and I note from your letter that you have read this statement. Despite the fact that we have given a full explanation of the federal proposals, I shall now attempt to clarify certain points to which you allude.

You refer at a number of points in your letter to the Atlantic provinces adjustment grants and contend that these grants should be kept separate from the other fiscal arrangements. In fact, the Atlantic provinces adjustment grants will continue to be a separate grant and the increase of $10 million in the total amount will benefit your province to the extent of $3 million per annum, which is the 30 per cent share of the additional grant of $10 million. This grant will be paid separately and is in no way connected with the basic equalization formula which ensures that New Brunswick will receive an equalization payment sufficient to raise revenues from the standard taxes and 50 per cent of the natural resource revenues to the per capita national average yield. This fact is clear from the provisions of Bill C-122 which was introduced into the House of Commons on July 12, 1961. In addition to providing for a basic equalization formula based on the standard taxes plus 50 per cent of natural resource revenue and the separate Atlantic provinces adjustment grants, increased in total by $10 million, the government has embodied in the bill two guarantee provisions which will lead in certain cases to the payment of even higher amounts of equalization. Under these provisions, no province will receive less than it received in the preceding year and no province which is below the national average in the yield of standard taxes and 50 per cent of natural resources revenue will receive less than enough to bring its total return to the amount it would have received under the preceding arrangements. It is in these guarantee provisions only that it was thought reasonable to take account of the increase in the Atlantic provinces adjustment grants in the same way as we would take account of all other payments under the previous arrangements. These guarantees ensured that no province below the national average could be worse off under the new arrangements than under the old arrangements. I should point out to you that this is on the basis of a personal income tax rate of 16 per cent Provision is made for the rate to rise to 20 per cent. If the 20 per cent rate were used instead of the 16 per cent rate, you would find that the over-all gain to New Brunswick would be in excess of $3 million per annum.

You have alleged that the new proposals remove emphasis from fiscal need and substitute for it increased ability to raise personal and corporate income taxes. Nothing could be farther removed from the facts. By instituting the system of Atlantic provinces adjustment grants and by increasing them for the coming period by a further $10 million per annum, by continuing the special payment of $8 million per annum to the province of Newfoundland, and by providing a new equalization formula based on the national average and including 50 per cent of the most variable of all provincial revenues, namely, natural resources, this government has ensured that a large percentage of fiscal aid payments will go to the less well to do provinces. This fact is well illustrated by the comparisons made by the Minister of Finance in the House of Commons on July 11, 1961, and to which you refer on page 2 of your letter. While the proposals have increased the emphasis on fiscal need, they also permit the provinces to cultivate their tax fields in the way each province deems fit. There is nothing inconsistent in these objectives. I must reaffirm this government's attention to the fiscal problems of the less well to do regions of Canada and repeat that its performance in this regard goes far beyond anything that has ever been done in the past.

I find it difficult to understand your opposition to the inclusion of 50 per cent of natural resources revenue in the equalization formula. As already stated, the natural resource factor was included because variations from province to province in per capita natural resource revenue are far more extreme than variations in any other provincial revenues. Indeed, the inclusion of the natural resource factor directly benefits the province of New Brunswick where the per capita revenue from natural resources is below the national average.

You refer also to the conditions under which the federal government will collect provincial taxes free of charge and cite these as evidence of a lack of flexibility in the federal proposals. The federal government's answer is that it is endeavouring to give the provinces all the freedom that is possible, subject only to the limitations of administrative feasilibity and our concern for the convenience of taxpayers.

It is the earnest desire of the federal government to achieve harmonious and equitable fiscal arrangements with the provinces. In a co-operative spirit we have sought a more equal and equitable partnership with the provinces. I hope that upon reconsideration the financial benefits of the new arrangements and the greater freedom and flexilibity which they afford to your province will commend themselves to you.

Yours sincerely,

John G. Diefenbaker.

HOUSE OF COMMONS

Monday, September 18, 1961

The house met at 11 a.m.

HOUSE OF COMMONS

CONGRATULATIONS TO PRIME MINISTER ON BIRTHDAY ANNIVERSARY

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, I rise on a question of privilege to which I think no one will object. It is in order to wish the Prime Minister, on the anniversary of the day on which it all began, many happy returns. When I use the word "returns" I do so in the birthday and not the political sense. There are many things the Prime Minister says and does to which we on this side of the chamber object or have our reservations. However, we have no reservations in wishing him many years of health, happiness and continued service to Canada.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, on behalf of this group I wish to join with the leader of the official opposition in wishing the Prime Minister many happy returns of this day. Mr. Speaker, we most sincerely wish the Prime Minister an early, happy and lengthy rest from his political responsibilities and labours.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I thank the Leader of the Opposition for his very kind words, which are much appreciated. I also thank the hon. member for Kootenay West, and would point out to him that prognostications and prophecies such as he has just indulged in have often been made during my life, but at 66 I am looking forward to continued service in the years to come.

SPORTS

ESTABLISHMENT OF ADVISORY COUNCIL ON PHYSICAL FITNESS AND AMATEUR SPORT

Hon. J. W. Monteith (Minister of National Health and Welfare) moved that the house go into committee at the next sitting to consider the following resolution, which has been recommended to the house by His Excellency:

That it is expedient to introduce a measure respecting the encouragement of physical fitness through amateur sport in Canada; to provide for the making of grants to agencies, organizations or institutions; to provide for entering into an agreement with any province for the payment by Canada to the province of certain contributions in respect of the costs of programs relating to physical fitness and amateur sport; to provide for the establishment of a council to be called the national advisory council on physical fitness and amateur sport; to provide for the payment of the chairman's remuneration and of the travelling and other expenses of the members of the council; and to provide further that the Minister of Finance shall pay out of the consolidated revenue fund each fiscal year such amounts not exceeding in the aggregate five million dollars as may be required for the purposes set forth in the measure.

Motion agreed to.

MOTIONS FOR PAPERS

POST OFFICE SITE, ST. FERDINAND D'HALIFAX, QUE.

Motion No. 160—**Mr. Roberge:**

For a copy of all telegrams, letters, petitions, and all other documents, since January 1, 1959, concerning the acquisition by the government of Canada of sites for the erection of a public building, namely a post office, in St. Ferdinand d'Halifax, county of Megantic, province of Quebec.

Motion agreed to.

CORRESPONDENCE BETWEEN FISHERIES MINISTER AND NEWFOUNDLAND FISHERMEN'S FEDERATION

Motion No. 161—**Mr. Pickersgill:**

For a copy of the communication addressed to the Minister of Fisheries by the general secretary treasurer of the Newfoundland federation of fishermen on August 24, 1961, together with the reply thereto of the minister.

Motion agreed to.

POWER

COLUMBIA RIVER—REPORTED STATEMENT BY PREMIER OF B.C.

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, I should like to ask the Prime Minister a question arising out of a statement attributed to the premier of British Columbia yesterday, to the effect that he is convinced the federal government will give in to British Columbia and permit the export of power from the Columbia river scheme. My question is, is there any ground for the conviction of the premier of British Columbia in this regard?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, the stand taken by this government has been a consistent one, and the use of the words "give in" are scarcely in keeping with the relationship which one would expect to exist between the federal government and the provinces. In so

far as the Columbia river scheme is concerned, the policy of the government has been announced on a number of occasions, and there has been no change.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, may I ask the Prime Minister a supplementary question. Would he care to comment on Mr. Bennett's further remarks in this widely read speech, to the effect that the Columbia river agreement, while it is not the best, can be made to work?

Mr. Diefenbaker: Mr. Speaker, I have no comment to make on observations made by the premier of British Columbia.

UNITED NATIONS

ANNOUNCEMENT OF DEATH OF SECRETARY GENERAL

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I should like to make a statement with regard to the tidings that have just been given to me to the effect that the secretary general of the United Nations, Mr. Dag Hammarskjold, is dead.

This is a tragic day in the history of the efforts that are being made for the maintenance of world peace. Mr. Hammarskjold gave of his selfless best to the preservation of peace through the instrumentality of the United Nations. Throughout the ages men, and women too, have given their lives on behalf of the highest things of life. Mr. Hammarskjold's death will take its place among the deaths of others throughout history who gave their all in order to achieve an ideal for which men have searched ever since the earliest days of history. I am sure I express the thoughts of all hon. members when I say that our hearts go out to those of his family who survive him, coupled with the hope that his death at this time of momentous importance in the history of the United Nations will not constitute an irreparable loss to the cause of freedom.

I should mention, too, that I am informed that a young woman employed by the United Nations, a young Canadian woman from the city of Montreal, was aboard the same aircraft. I shall refrain from mentioning her name because I am not certain that her next of kin have been advised. To her family must go, too, the sympathy of the Canadian people in her tragic death in the service of all that is right and good.

Hon. L. B. Pearson (Leader of the Opposition): These are heavy and sad tidings which the Prime Minister has announced to us. I should like to join with him in extending our sympathy to the families of Mr. Hammarskjold and of our Canadian colleague who worked in the Secretary General's office —the young lady from Montreal.

Dag Hammarskjold died tragically and prematurely but, as I believe he would have wished, in the service of peace and the United Nations. I had the privilege of knowing him well for many years and the equal privilege of working with him closely at the United Nations during some difficult years in the development of the organization, so I think I am in a good position to appreciate the high character of the man and the great qualities of the statesman. He was indefatigable; he was wise; and he was entirely selfless in his devotion to his work. He was as sure and as resolute in carrying out instructions from the United Nations for international action in the cause of peace as he was skilful and objective in seeking to establish a basis for that action in the charter. As well as being an extremely dedicated servant of peace and the international community he was a most brilliant and cultivated gentleman and a good and loyal friend.

The world can ill afford to lose such a great man, especially at this time. His life was a triumph of service and achievement, and his passing at the very height of his powers is a tragic loss. His death should inspire all of us to do what we can to secure the triumph of the cause for which he died, peace and security in the world through the United Nations.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, on behalf of this group I wish to say that our reaction to this shocking and tragic news is one of sadness and of having suffered a great loss. Regardless of party, throughout the years all have recognized Mr. Hammarskjold's services to mankind through his office in the United Nations. We pay tribute to those services. His death is mankind's loss. We extend our sympathy to his loved ones, and also to the loved ones of the young lady mentioned by the Prime Minister.

CANADIAN NATIONAL RAILWAYS

INQUIRY AS TO APPOINTMENT OF CHAIRMAN AND DIRECTORS

On the orders of the day:

Hon. Lionel Chevrier (Laurier): Mr. Speaker, may I direct a question to the Prime Minister and ask whether the vacancies on the board of directors of the Canadian National Railways which occurred almost a year ago, on September 30, 1960, are going to be filled in the near future and when the new appointments which were to be made as soon as the legislation was passed which was some months ago may be expected.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, as the hon. gentleman knows, the Minister of Transport announced that the appointments would be made known "very soon" when his estimates are before the house.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to direct a question to the Prime Minister. I trust he does not think it is Machiavellian. In view of a report in the Toronto *Telegram,* on Saturday, September 16, to the effect that the government has already decided that Mr. Gordon will be removed as chairman of the C.N.R. board of directors and also that he may not be reappointed as president, and in view of the public interest in this very important question, has the Prime Minister any information he can give the house?

Mr. Diefenbaker: Mr. Speaker, I think the hon. member for Laurier rather forestalled the question of the hon. gentleman, and the same answer applies.

TELEVISION

COVERAGE OF OPENING OF QUEBEC BUILDING IN PARIS

On the orders of the day:

Mr. J. P. Deschatelets (Maisonneuve-Rosemont): Mr. Speaker, I wish to direct a question to the Minister of National Revenue, and in his absence to his parliamentary secretary. As the Quebec government, on October 5 in Paris, France, will open a building to promote the natural resources and products of Quebec and other parts of Canada as well, can the minister inform the house what provision the government has made to give television coverage to this historic Canadian event?

Mr. M. J. A. Lambert (Parliamentary Secretary to the Minister of National Revenue): Mr. Speaker, I shall look into the matter and report to the house.

TRANSPORT

PINE POINT RAILWAY—REQUEST FOR TABLING OF AGREEMENT

On the orders of the day:

Hon. Lionel Chevrier (Laurier): Mr. Speaker, in view of the fact that today we will be discussing second reading of the Pine Point railway bill, and I am sure it is the hope of the house to get on with it as quickly as possible, will the Minister of Transport table the agreement which was finalized, and I take it signed, by the four parties, so that we may have a proper appreciation of the bill?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, the bill contains the condition that an agreement must be signed containing various undertakings on the part of the C.N.R., the company, other interested companies and the government. This draft agreement has been approved in principle by all parties. All have agreed to this draft, which will be made available before the bill is sent to the committee. I think that is the proper place to study the agreement, which will be signed as soon as the bill is passed by both houses of parliament.

Mr. Chevrier: I take it the agreement has not yet been executed by the four parties?

Mr. Balcer: No, Mr. Speaker, but the four parties have indicated their readiness to sign as soon as the legislation is passed.

Hon. J. W. Pickersgill (Bonavista-Twillingate): A supplementary question, Mr. Speaker. Could the minister make at least one copy of this document available to the opposition for study so that we may debate the bill more intelligently and perhaps make greater progress?

Mr. Balcer: Mr. Speaker, the bill contains certain conditions. This draft will be available to the committee, where it can be studied in detail. I believe that is the proper place to discuss the matter, when experts and representatives of the various parties are available to answer questions. I do not see any advantage in bringing forward this unsigned draft at the present time.

Mr. Pickersgill: Mr. Speaker, on a question of privilege, we are going to be asked to give approval in principle to a bill which is based entirely upon an agreement, and the minister has told us that that agreement, which I assume is not a secret document, has been agreed to by all the parties. Surely it is only reasonable that it should be made available in advance of the debate so that we will not be debating blindly. I can assure the hon. gentleman that we are anxious, as I think we have shown, to get on with the business of the house, and we are merely seeking to expedite the business in this way.

Mr. Balcer: Mr. Speaker, I think this proves that generosity does not always pay. This is the first time any agreement of this kind has been supplied to a committee for study. These agreements have always been kept confidential and have never been produced at this time. We are going to table this agreement for the committee so that it will have a document it never had in the past. Therefore I doubt very much that there is any question of privilege for my hon. friend.

Inquiries of the Ministry

HISTORIC SITES AND MONUMENTS

STONEY CREEK, ONT.—PRESERVATION OF BATTLEFIELD

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to address a question to the Minister of Northern Affairs and National Resources. In view of the minister's assurance last May 31 of the federal government's interest in preserving the Stoney Creek battlesite from despoliation by the erection of a housing subdivision, can the minister now inform the house whether any specific proposals have been made to the historic sites division of his department by the local committee formed to discuss the matter? What action has been taken by his department in response to those proposals and to proposals of hon. members to protect the site from this encroachment?

Hon. W. G. Dinsdale (Minister of Northern Affairs and National Resources): Mr. Speaker, I am happy to assure the hon. member that during the long hot days of the summer we were busy trying to devise some formula which would preserve this important historic site from encroachment. In this connection I wish to thank my colleague the Minister of Citizenship and Immigration and also the hon. member for Wentworth for their valuable assistance in these matters.

As a result of the negotiations, the government of Canada has offered to make a contribution of $25,000, which is provided for in the current year's appropriations of my department, to be used in the acquisition of adjacent lands, which include a portion of the historic battlefield which was in danger of being subdivided for residential purposes.

We have had fruitful discussions with the municipalities of Stoney Creek and Hamilton and also with the very active local committee, and with the government of Ontario. I have just recently received the assurance of the latter government that steps are being taken by the Niagara parks commission to acquire the entire battlefield area including the present park, which has been maintained by the Wentworth women's historical society for many years, which will also include the historic Gage house and the impressive monument, as well as the adjacent land in question.

I think very shortly, Mr. Speaker, we shall be able to announce that a very happy conclusion has been arrived at for the preservation of this historic site.

[Mr. Balcer.]

NORTHERN AFFAIRS

CANADIAN MARCONI COMPANY—TABLING OF CORRESPONDENCE RESPECTING NON-FRATERNIZATION

On the orders of the day:

Hon. W. G. Dinsdale (Minister of Northern Affairs and National Resources): Mr. Speaker, may I reply to a question of the hon. member for Skeena of September 13, when he requested that I table correspondence with the Canadian Marconi Company which was under current discussion at the time of his earlier inquiry of June 26.

I am happy to table a letter from Mr. S. M. Finlayson, president of the Canadian Marconi Company, dated June 7, and my reply to him of June 21. In my reply you will note, Mr. Speaker, that I suggested that the Marconi company review its conditions of employment with regard to relations between its employees and Eskimo women. I assured Mr. Finlayson that my department stands ready to serve him if our advice and experience on inter-ethnic relations can be of assistance.

Mr. Speaker: Has the minister leave to table the correspondence referred to?

Some hon. Members: Agreed.

Mr. Frank Howard (Skeena): As a result of the announcement by the minister, I should like to ask the Minister of Labour—and I can appreciate that without notice it will perhaps take some time to get this information—whether the request by Mr. Whitfield for permission to prosecute under the Canada Fair Employment Practices Act has been granted?

Hon. Michael Starr (Minister of Labour): I shall have to take the question as notice and report back.

EXTERNAL AFFAIRS

CUBA—PROTEST AGAINST ALLEGED SUPPRESSION OF RELIGIOUS RIGHTS

On the orders of the day:

Mr. J. P. Deschatelets (Maisonneuve-Rosemont): I should like to direct a question to the Prime Minister. Will the Prime Minister inform the house whether the government has sent or will send a protest to the Cuban government against the suppression of religious rights and freedom, indicated by the dismissal of a number of the clergy?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, according to press reports it would appear that five Canadians were among a number of Roman Catholic priests expelled from Cuba yesterday. There are at this time 25 Canadian priests and 21

Canadian nuns in Cuba. Although the reports are disturbing, we hope that arbitrary action of the kind suggested is not being taken against them.

As to the operative part of the hon. member's question, I might say that the Canadian embassy is investigating the accuracy of these news reports to which I have made reference and which have not yet been confirmed. If they are confirmed, then such action will be taken as is deemed proper and appropriate under the circumstances.

CANADIAN CENTENNIAL

PROVISION FOR NATIONAL CORPORATION, NATIONAL CONFERENCE, ETC.

Right Hon. J. G. Diefenbaker (Prime Minister) moved that the house go into committee to consider the following resolution:

That it is expedient to introduce a measure respecting the observance of the centennial of confederation in Canada and in relation thereto,—

1. To provide for the constitution of a corporation called the national centennial administration;
2. To provide for the establishment of a national conference on Canada's centennial;
3. To provide for the objects, purposes and powers of the administration and of the conference; and
4. To enact such financial provisions as may be necessary to accomplish the purposes of the act.

Motion agreed to and the house went into committee, Mr. Chown in the chair.

Mr. Diefenbaker: Mr. Chairman, I think it is only proper that I should make a rather complete statement respecting this matter at this time. The resolution is a prelude to a bill to establish the machinery for undertaking the dominion government's part in the observance of Canada's centennial. Although the centennial itself is nearly six years away, much preliminary work has already been done.

I think it will be agreed that the centennial is more than a holiday or an occasion for festive celebrations. I was reading yesterday some of the debates at the time of confederation and immediately thereafter. In reference to the celebrations, Sir John Macdonald said that a great opportunity was lost in 1867 when the dominion was formed out of the several provinces. This remarkable event in the history of the British empire passed almost without notice.

All during the years there have been references made to the fact that, for some reason or other, there were no celebrations other than desultory ones restricted to a few areas within the confederating provinces of that day. On this occasion, however, we will be celebrating the hundredth anniversary of our country. It should be a time of national stocktaking and of rededication to the future. It will represent a dramatic year in Canadian history and an opportunity for Canadians to develop a fuller understanding of what it means and can mean to be a Canadian. One of the aims of the centennial observance should be to make Canadians aware of their unique heritage and their birth right, and of the contributions to our development that have been made by the peoples of the founding races as well as the many other nationalities who have come to our country.

I think it is not generally known that Canada played a very large part in the history of religious freedom. Indeed, the United Kingdom parliament in 1775 granted religious freedom to what is now Canada long in advance of it being granted in the United Kingdom. Further in that connection, I might mention that it was in Canada, some 25 years in advance of the same rights being attained in the United Kingdom, that those of the Jewish race received equality and the privilege of electing members of that faith to the House of Commons.

It is of interest to think of the beginnings of confederation, the arguments that were advanced by Sir John Macdonald and those associated with him, and the stand taken by those opposed to confederation. Following this there were meetings in Quebec and in Charlottetown. I was in the archives the other day and I found there a most interesting document. This is a report of the resolutions adopted at the conference of delegates from the provinces of Canada. I have a photographic summary of it, and it sets forth the basis of the proposed confederation of the provinces and colonies at a conference held in the city of Quebec in October, 1864. It sets out in detail the changes that were made. This is Macdonald's copy and it is covered with doodling, apparently drawings by Sir John of the various representatives at that conference, indicating a higher degree of art than has been displayed by any of his successors. I cannot place it on *Hansard* but I can say this, that there were few persons who were not honoured by having their features drawn.

The document sets out the views of that meeting and the various changes which were made, and which brought about a federation that few believed would have been possible. As may be seen through a reading of the document and also through a reading of the debates between 1860 and 1867, as was stated by Sir Wilfrid Laurier at the time of Sir John A. Macdonald's death, the vision of Sir John A. Macdonald and his associates was underlined and emphasized. Indeed, it was the work of Sir John Macdonald and Sir George Etienne Cartier that made possible the

transformation of colonial North America into the self governing country into which it has grown. Had it not been for their work there would never have been possible the development of the commonwealth concept of today.

There were few in the United Kingdom who believed that it would be possible to bring about confederation. It was Lafontaine who would not accept the views of Lord John Russell and other imperial leaders that self government being granted to the colonies would mean the breaking up of the ties with the United Kingdom. It was Lafontaine who foresaw that if representative self government was granted, the relations between the United Kingdom and the self governing possessions beyond the seas would be strengthened, not weakened. Macdonald and Cartier refused to accept the view of John Stuart Mill that parliamentary institutions could not live in a country that had two or more ethnic stocks.

Of all the countries of the commonwealth today—and this is something we sometimes forget—Canada was the first to attain responsible, representative and parliamentary government and the first, as I said a moment ago, to develop the federal system which in its essence made possible the uniting of areas representing various races, geographic separations and the like. It is a system that is being followed more and more in various parts of the developing commonwealth, and has been the contribution which has made possible the West Indies Federation and which within the next couple of years will make possible the Malayan confederation provided agreement is arrived at among Malaya, Singapore, Borneo, Sarawak and Brunei. These are some of the matters which are of the past which recall some things that are often forgotten.

It was on February 19, 1865 that the "Attorney General West," Sir John A. Macdonald, introduced the resolution which read as follows:

> That an humble address be presented to Her Majesty, praying that she may be graciously pleased to cause a measure to be submitted to the imperial parliament for the purpose of uniting the colonies of Canada, Nova Scotia, New Brunswick, Newfoundland and Prince Edward Island into one government with provisions based on certain resolutions, which were adopted at a conference of delegates from the said colonies held at the city of Quebec, on the 10th October 1864.

Speaking to the measure on February 6, 1865, Sir John said this:

> When this union takes place, we will be at the outset no inconsiderable people. We find ourselves with a population approaching four millions of souls. Such a population in Europe would make a second, or at least, a third rate power. And with a rapidly increasing population—for I am satisfied that under this union our population will increase in a still greater ratio than ever before—with increased credit—with a higher position in the eyes of Europe—with the increased security we can offer to immigrants, who would naturally prefer to seek a new home in what is known to them as a great country, than in any one little colony or another—with all this I am satisfied that, great as has been our increase in the last twenty five years since the union between Upper and Lower Canada, our future progress, during the next quarter of a century, will be vastly greater. And when, by means of this rapid increase, we become a nation of eight or nine millions of inhabitants, our alliance will be worthy of being sought by the great nations of the earth.

He pictured the day ahead when there would be greatness on the part of Canada that would assure its recognition by the great countries of the world. So it was with Cartier, McGee and many others who spoke at that time. So we will celebrate an event great in its past and, I believe, greater in its future.

The systematic preparation of plans for the centennial, as I said, is already under way. It began two years ago. In February, 1960 the national committee on the centennial was inaugurated. This committee provides a means of consultation between the federal government and the governments of the provinces in matters relating to the centennial. The federal government is represented on the committee by the Minister of Transport and the Minister of Fisheries, who are joint chairmen, the Minister of Citizenship and Immigration and the Minister of Agriculture. Each of the provinces is represented by a minister and one other representative. The national committee has shown a high degree of unanimity on the significance of the centennial and on the general objectives to be sought. At its inaugural meeting the national committee set up four working committees to study the historical, cultural, ceremonial and administrative aspects of the planning.

Canadians everywhere were invited some 16 months ago to send in their suggestions as to how Canada's centennial might best be observed. This invitation provoked a healthy response. Indeed, if the projects that were suggested were adopted it would involve the expenditure of several billions of dollars. I have a list of the suggestions that were made. I think it might be well for me to table it, if the committee will agree, as they are indicative of the comprehensive nature of the representations and may be provocative of other suggestions from those who have given and are giving thought to this matter.

The suggestions range from proposals for pageants of different kinds to the building of a special centennial city; from postage stamp and coin issues to festivals of the arts; and from the eradication of particular diseases to the publication of biographies. It has also been suggested that special recognition should be given to the need for the

commemoration of the 1864 conferences in Charlottetown and Quebec which were the precursors of confederation.

I think I should pause for a moment to refer to the work being done by the committee or organization set up for the building of a confederation commemorative building in the city of Charlottetown. The committee is representative of all parts of the country and already has done much toward bringing about the building in question and also festivities to celebrate the conference that took place in that city.

The planning problem is, therefore, not to devise suitable projects but to select the most suitable ones. The federal-provincial working committees have been studying and assessing the various suggestions. The next meeting will take place in Ottawa on October 11.

The federal government has given consideration to the kinds of projects it should undertake. It is particularly impressed by the fact that the centennial will provide the opportunity for the execution of projects of a lasting nature. Last month the Minister of Public Works announced the first major centennial project, when he made it known that the government had decided to authorize the national capital commission to purchase land and buildings on Sussex drive, Ottawa. The project will be a rare opportunity for the preservation of those things that go back to confederation, and will make possible what has been described as "a mile of living history".

A number of non-government organizations have also begun preparations. In May, 1960 the Canadian centenary council was formed by these organizations. Its membership now comprises 125 national organizations and its purposes are to stimulate public interest in the centennial observances and to provide information and planning service to national organizations in this regard.

I realize that I cannot refer in any particular to the bill that will be introduced following the acceptance by the committee of this resolution. However, I would point out that it will have two principal divisions. The first will be the establishment of a national centennial administration which will assume responsibility for the planning and execution of programs of the federal government relating to the centennial. The national centennial administration will consist of a commissioner, a deputy commissioner and not more than eight directors, and to avoid duplication of functions it will work wherever possible through existing departments and agencies of the federal government.

Then, too, a second major provision will be the establishment of a national conference on the centennial. This will not be an administrative body but will be a forum where the centennial can be viewed and discussed as a whole by governmental and non-governmental representatives. Centennial activities will inevitably involve many elements and have various sponsors. Therefore special efforts will be required to give these activities some measure of unity and to guard against a formless jumble of individual projects. This conference will consist of a chairman who will be either the Prime Minister or such other minister as will be designated by the governor in council, and not more than 60 members appointed by the governor in council. Of these, two members will represent each of the provinces and will be appointed on the recommendation of the government of each of the provinces. The other representatives will be chosen from every major segment of Canadian life.

I feel the committee will agree that the observance of the centennial should reflect the whole range of Canada's history and not merely confederation itself. The program should not be designed merely to commemorate a past event, but to stir the imagination of the Canadian people and give to the people as a whole a sense of national progress and national unity. The centennial should be one in which every citizen will have an opportunity to play his or her part. I think the two bodies to be established will help to ensure that the aims and purposes of this one hundredth anniversary can be fully realized thereby. Although Ottawa will be the administrative and focal point, every region of Canada should avail itself of this great occasion.

It will be the role of the federal government, not to erect a giant superstructure but merely to assist and co-ordinate. The true expression of pride and fulfilment will, I hope, come largely from local levels. In each and every community in this country there is a wealth of local flavour and difference which should be emphasized in the national interest. Wherever possible or feasible the bigger national attractions should, I feel, be made portable so that all the provinces of Canada can share in the nation's birthday. I believe that nothing would be more beneficial than for a national train to be set up and travel from one end of Canada to the other, carrying thereon the documents of Canada's historical background, the constitutional documents, as well as those charters of freedom that are ours by reason of our heritage.

As Canada is a country on the threshold of an exciting tomorrow, the centennial should serve as a launching pad for new triumphs in her second century. We should

honour history. At the same time a true birthday party should span the three dimensions of time, a national salute in retrospect, an appraisal of the present and a toast to the century to come.

Our history has been inextricably woven into the struggle against geography and climate. Courage in the face of formidable odds is the theme which I believe should run through the celebration that will take place, for this country is a land in which the odysseys of the explorers, the missionaries and the leaders of the past should be made available to all Canadians. As I read yesterday something of the events at the time of confederation and prior thereto it gave me a pride that can only come from a knowledge of what has been wrought by the hand of history. During the year to come I believe we should try to renew our past so that it becomes part of the possession of all Canadians, and at the same time lay the foundations for a greater future.

We are a creditor nation with historic ties to Great Britain and France. We are a creditor nation to most of the nations of men. We should emphasize the international aspect of being Canadian. If we do that, I feel our centennial celebrations will be a magnet to draw visitors from all around the earth. This will be Canada's year to appraise, admire and adjust. It will require a great deal of work and preparation. It will require not imitation but inspiration and imagination to properly reveal the Canada that is ours. I recall the words of Daniel Burnham who, when commenting on the plans for building the capital city of Washington in the United States, said this:

> Make no little plans. They have no magic to stir men's blood, and probably themselves will not be realized. Make big plans, aim high in hope and work, remembering that a noble and logical diagram once recorded will never die but long after we are gone will be a living thing, asserting itself with ever growing insistency. Remember that our sons and grandsons are going to do things that would stagger us. Let your watchword be order and your beacon beauty.

I hope that all governments, federal, provincial and local, will be inspired by this one hundredth anniversary of our country to build for tomorrow, to fuse the functional with the beautiful, the concordant with the useful. The shaping of national destiny is no different from individual destiny, because we are the moulders of the future of our country. Fate itself plays a part, but more so does the work of those who contribute to the building of the kind of country that all of us hope will be wrought.

On January 18, 1904, Sir Wilfrid Laurier replied to the toast to Canada, and in that speech he stated what the hope of the future would be; that the twentieth century would be Canada's. That is what this festival will emphasize, a stirring occasion so that Canadians may hold the nation's sights high upon the horizon.

I trust the committee will give unanimous support to this resolution and that in a spirit of unity all of us, whether in the federal parliament, in provincial legislatures or in the municipalities will join together and bring about an imaginative program so that we may relive our past and rededicate this land to its future, the hopes for which were spoken of so eloquently by those who were present at the birth of its institutions.

Mr. Pearson: I think all members of this committee wherever they may sit would wish to give wholehearted support to this resolution. It is perhaps a happy coincidence that the Prime Minister on his sixty sixth birthday anniversary should be reminding us that our nation will soon be celebrating its one hundredth birthday anniversary. It is appropriate that we should prepare for that celebration.

A centenary is, of course, a momentous occasion in the history of a state. During the years since 1867 we have seen the completion of the geographical boundaries of confederation with the happy and fortunate union only a few years ago of Newfoundland with the rest of our homeland. We have, then, completed our boundaries nationally in that sense. But Canada is a new and developing country, and there is still much to be done. There are new horizons to be enlarged; there are frontiers to be pushed back and there are regions to be developed. In that sense we Canadians still have the excitements and the incentives which are usually attached to a new and developing society. While this is true, the fact that we shall soon be celebrating our hundredth birthday makes us one of the older states in the world.

As the Prime Minister has said, this celebration should encompass the whole range of Canada's history, not merely the achievement of confederation itself. The right hon. gentleman indicated how this could be done. It should certainly be celebrated in a way which is worthy of the occasion, not merely by ceremonies and memorials, which may be exciting but which will be ephemeral, but also in a more permanent way.

It is interesting in this regard to examine the various proposals which have been made for this purpose, and there are a great many of them. The Prime Minister made reference to this. I have before me the first report of the Canadian centennial council. If all these suggestions—and they are very interesting ones indeed—were carried out we should

need the whole centennial year in which to implement them. One of the subcommittees of the committee has suggested—and I think it is a wise suggestion and one we should be thinking about even now—that no celebration of our centenary would be complete unless by 1967 we had taken all the necessary legislative actions—and these things, I know, are not easy to do—which would complete, in the words of the recommendation, "our full autonomy as a nation".

The centenary council has also made suggestions which as I have indicated should be of value in establishing a permanent recognition of our centenary, by action which will not be temporary but which will redound over the years ahead to the benefit of all Canadians. In this regard they have put forward some very imaginative proposals. One suggestion is a program to remove from our country underdeveloped or depressed communities; also to ensure that in the future no Canadian in this country will be denied access to higher education because of a lack of funds. Perhaps along these lines we will be able to recognize in an enduring and valuable way some of the benefits we as Canadians have been fortunate enough to receive during our first hundred years. This recognition should be deepened and extended. We should take action in this centenary celebration to emphasize our national dignity and national destiny, to make life better for all of our people.

Also, as the Prime Minister has pointed out, it would be appropriate to re-examine the values of our national society, and to resolve that we will do perhaps more than we have been able to do in the past to strengthen those values, based as they are on the enduring concept of freedom, and based as they are also in a political sense on the foundation of the two cultures, two languages and two traditions of the two founding peoples. Some years before confederation, when Lord Durham came to Canada, hon. members will recall that he said he found in Canada—and I think I am quoting his words correctly—two nations warring in the bosom of a single state. In the years that have passed since that statement was made there has been a change from conflict to co-operation. While in the cultural sense, in the racial sense, in the linguistic sense and indeed in the sense of separate traditions while we have—in that sense—two nations, nevertheless we now have two nations, co-operating in the bosom of a single state.

These two races, two cultures, and two nations in that sense, as the Prime Minister has pointed out, have been enriched in the years that have followed by people of practically every strain, race and culture from all parts of the world. To use the Prime Minister's own phrase we are indeed a creditor nation in that way, as well as a creditor nation in the sense that we have a dual foundation of the two basic races.

As has been pointed out, not very much attention was given to Canada's future, her destiny and potential greatness at the time of confederation. But the men in those days built better than perhaps even they knew. People in the mother countries did not realize then that in North America a strong new state had arisen dedicated to freedom, to human welfare and to the things that make life worth living for man when he bands himself together in a political society. As we approach our centennial year I think we can be proud of our growth, our progress and our achievements, but we can be proud without being smug. We can demonstrate that pride in the way we celebrate our centenary. One means which occurs to me, and there are many, to show our pride in our nation is by making our capital worthy in every way of its position as the heart and core of that nation.

The Prime Minister has outlined some of the organizations which will be set up, and it is appropriate that they should be set up at this time to make this occasion worthy of its historic import. He indicated that there will be a combination of public and private planning in that regard and that, of course, is the way it should be done. We on this side will be glad to support the steps which the government is proposing to this end.

Our nation has a great destiny ahead of it if we wish to make it so, and if man's inhumanity to man makes it possible for any nation to have a good destiny. It is appropriate, then, that as we discuss this resolution we should remind ourselves of our past and look forward with confidence to the future of what Charles Dickens so many years ago called this happy, hopeful land.

Mr. Herridge: Mr. Chairman, on behalf of this group I rise to express our wholehearted and complete support for the spirit and purpose of this resolution, which reflects the wishes of the vast majority of Canadians at this time. Throughout the years there have been numerous references to the centennial celebration. I think it is correct to say that the first time it was brought to the attention of any large group was at the Ontario provincial convention of the C.C.F. in 1950. It was raised on that occasion and discussed.

Later on the then hon. member for Winnipeg North Centre placed on the order paper

a resolution dealing with this subject. It was first introduced, I believe, in 1954 and was reintroduced in 1955, 1956 and 1957. In that latter year there occurred the first debate on that resolution, which I shall now place on the record because it was considered very comprehensive:

> Mr. Stanley Knowles (Winnipeg North Centre) moved:
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> That, in the opinion of this house, the government should give consideration to the advisability of the establishment of a 100th anniversary committee, with provision for federal and provincial representation, for the purpose of planning the economic and social development of this country on a vast scale, including *inter alia* housing and slum clearance, conservation, irrigation and power projects, improvements in transportation, highway construction, the elimination of grade crossings, the building of hospitals, assistance to municipal projects and other public works, and also for the purpose of planning ways and means to strengthen the economy of every section of this country; and that consideration should be given to the advisability of such a program being launched immediately and being pursued vigorously year by year so that on July 1, 1967, the people of Canada will be in a position to celebrate this nation's 100th birthday not only with fireworks and speeches but by the achievement of a land of health and abundance for all our people.

During the debate the hon. gentleman received support in principle from all hon. members who participated in the discussion. There was some criticism of the rather comprehensive nature of this resolution. I had the opportunity of participating in the debate. As we saw it at that time this was a resolution to focus attention upon desirable objectives to strive toward and accomplish by 1967. The hon. gentleman moved this resolution and spoke to it at some length, believing it would focus attention on this subject so that our celebration in 1967 would not only be a celebration in the ordinary sense of the word, a happy time, but in the deeper sense of having reality and meaning.

In listening to the Prime Minister I was very interested in his historical review of past developments and in certain statements he made respecting the approach and attitude of prominent people in Canadian history. I am one who always enjoys reading history. I find that history of the past is an antidote to the irritations of the present. I was interested also in his explanation of the proposed procedures which provide for federal and provincial co-operation and also co-operation with local communities. I am one who believes, as I am sure all members of this group firmly believe, that for an event of this type to be a success you must have co-operation among all communities in Canada; that success is dependent upon co-operation from the local level up no matter how small the community.

[Mr. Herridge.]

I cannot help but recall that I spent the fiftieth anniversary of confederation in a military hospital. You know, Mr. Chairman, some people have suggested that I might celebrate the one hundredth anniversary as a member of the government, but I might explain they have been very few in number to date. However, with a common pride in our history, in our achievements, in our hopes and in our aspirations, we can all look forward to this centennial as an opportunity to recognize the work of the pioneers and people of the past, to express our thanks for what they have done to provide the circumstances under which we live.

I often think there is insufficient understanding of the labours of people of the past in all groups of society who have given us so many of the things we enjoy today, the freedoms, the privileges and the material things of life. We can give thanks and celebrate in the knowledge that all Canadians are proud of the fact that by that time we shall have evolved national and provincial policies that will make certain that we are going to conserve and develop our natural resources, having in mind the welfare of the generations to come; because regardless of legislation, parties and theories, unless we conserve our natural resources we shall have nothing to build on in the future and no wealth to distribute.

In addition, Mr. Chairman, I trust that by 1967 we shall be able to celebrate the fact that every child in Canada will have the opportunity to obtain all the education he is capable of taking advantage of; that every person in Canada willing and able to work will have employment; that all Canadians will be provided with satisfactory health services; that all the disabled and those ill in Canada, suffering from disabilities of various kinds, from whatever source they may arise, will be provided with a measure of comfort and security at the expense of us all, and that our senior citizens will continue to live in security with a measure of comfort. We believe these are objectives that we should work toward so that we can celebrate in 1967 with the knowledge that these are accomplishments.

The members of this group are glad to co-operate with all who are working to that end. We believe that with purpose, with determination, with energy and imagination we can succeed in reaching those objectives by 1967. To those objectives we must all march if we are going to succeed, and those objectives must be reached, in our opinion, if we are to celebrate our one hundredth anniversary in every sense of the word as an event that Canadians are proud of.

(Translation):

Mr. Sevigny: Mr. Chairman, on behalf of my French speaking fellow citizens, I should like to express, in my mother tongue, what we feel at the announcement of the celebrations which will, in a few years from now, mark the centenary of the Canadian constitution.

These celebrations will take on a distinctive character for all Canadians, more particularly because we realize that it is thanks to the pact of confederation that we developed as a nation and that we succeeded in burying the quarrels which, unfortunately, in 1867 threatened to plunge this nation into civil war.

When we consider the great country Canada is today, we cannot but think of the tremendous sacrifices made by our forefathers to found this country which now holds such an important place in the world.

When we consider the tremendous efforts which those pioneers from European countries had to make and the severity of the weather they had to endure in clearing this foreign land to set up their homes, we are filled with wonder and admiration. Indeed, those men deserve the tribute we want to pay them in the coming celebrations. And we want to pay a particular tribute to those men of genius who established this confederation pact which is the very basis, the strength of the nation.

We salute those men of character, Lafontaine and Baldwin, who were able to establish the rule of justice in the houses of parliament.

We salute the genius of Macdonald and Cartier to whom we owe this confederation which is the cornerstone of the greatness of Canada.

It is actually due to confederation that peace has existed in this country since 1867. It is because of this pact that the respective rights and privileges of both great races which form our nation have been respected.

It is also through the confederative pact that the bi-ethnic and bi-cultural character of the nation has been preserved.

Finally, thanks to this agreement this country has achieved a national unity which is strengthening and enables us to live today not in a divided Canada but in a united Canada, a large and a strong Canada, where the future can be faced with confidence.

Since 1867, long strides have been made in every field of endeavour.

Canadian industry has reached gigantic proportions, trade is in the process of considerably expanding and increasing from day to day, and in the intellectual field we now have distinctive Canadian culture and art and a definite Canadian way of thinking. So it can be stated that since confederation gigantic steps have been accomplished towards the achievement and development of national life and thought. This is only a beginning.

Today the whole world's attention is focused on our country; other nations realize that we have in Canada, a tremendous potential and that there is a future for all who wish to settle here and associate themselves with those who have done so much already so that Canada could become what it is today. Canadians have achieved all these things because the highest principles of human ideals were guiding them. Canadians believe in freedom and every time the freedom of humankind was threatened, Canadians were among the first who wanted to protect that ideal against the barbarian onslaught threatening civilization.

During those two great wars, our soldiers fought with unrivalled courage. They fought on the battlefields of Europe and other continents not only to protect themselves but also in order that the ideals of kindness and justice they believed in could survive in this world. Those soldiers were the defenders of right, justice and truth.

We bow to those who have laid down their lives for those principles, to those who suffered on the battlefields and who, still bear today the scars of their glorious wounds. Moreover, we bow to the courage of all these men who, without exception, were the ambassadors of Canadian feeling, by defending in foreign lands the most beautiful and greatest thing of all: human freedom.

Our country, Mr. Chairman, is in full bloom, and the eyes of all men are turned in this direction. One only has to go abroad to realize that other countries sometimes view with envy what is being done in Canada. However, it is very easy to notice admiration everywhere for our accomplishments.

I believe it is our duty to thank Providence for having given so much to us Canadians. In fact, poverty is the lot of many countries which have been torn by terrible strife and which, even today, are threatened by revolutions.

I believe that it is necessary to repeat, whenever possible, Mr. Chairman, that there exists, here, in Canada, beauty, greatness, order, wealth, and belief in those principles of life: freedom and respect for human rights.

I believe that it is absolutely essential to prepare with care the celebration of our centennial, to prepare it in such a way that it will attract millions of tourists who will be able to see for themselves the excellence of our democratic way of life. Those tourists may return home with a strong desire to imitate what is being done in our country, and they may even know the happiness which is ours.

If there is one reproach that could be made to the Canadian people, it is that they do not fully realize how lucky they are, and that they fail to appreciate their blessings in their own country. We too often hear politicians and others criticize everything that happens here, exaggerate certain social or economic problems that are serious, I agree, but that are, after all, not as serious as some events happening in other countries where the danger of revolution and communism is always present. Instead of readily criticizing what is happening in our country, instead of taking pleasure in blaming our leaders constantly, regardless of their political affiliation and of the field of their activities, it seems to me it would be better for every Canadian citizen to help with his advice those who are called upon to administer the country. In my opinion, they will always be glad to accept advice from right-minded people who have public interest at heart.

Mr. Chairman, I feel that it is essential to act in that way because prophets of doom and gloom will be pleased to sow doubt and anxiety in the minds of men, thus making it possible for communism, that horrible ideology which dominates so many countries, to get a foothold in Canada.

I hope that all French Canadian organizations, without exception, will join in the preparations for the centennial. Whether on the cultural, intellectual and social levels or in the industrial field, all Canadians who love their country must take an interest in this historic event.

Our country is in full progress and development. By taking an active part in the preparations for the centennial celebrations, the citizens will, in the years to come, work efficiently for Canada. I know that all French Canadians love Canada like I do. Perhaps some people love our country as much as I do, but certainly no one loves it more. I invite them to join with us who are entrusted with public affairs and who are anxious to make of the centennial celebrations of our confederation, the greatest event in our history.

Mr. Caron: Mr. Chairman, I wish to join with the Associate Minister of National Defence (Mr. Sevigny) and say that we agree that the statesmen of 1867 and previous years had to make great sacrifices in order to implement confederation. All the politicians put aside party feelings to bring forth the fullest national unity possible and thus bring into being an institution that neither the years nor difficulties could overcome.

Since then, as the Associate Minister of National Defence has said, we have been enjoying domestic peace, and we wonder whether such a thing would have been possible without confederation, because at that moment there was no friendship to spare between the Quebec Catholic group and the Ontario Anglo-Protestant group, and it was feared that one or the other would try to gain domination of the country by force.

But when the fathers of confederation paved the way to a federation of the existing provinces and of other provinces which could be formed later on, they found the right formula for two different races to live together and to co-operate for the good of Canada.

The rights and privileges of both races have been respected and I can say that almost every leader of the country has since recognized the necessity of maintaining that duality which is beneficial and profitable to the country. I hope that it will be maintained.

I readily recognize that here and there people have been found who did not understand the objectives of the fathers of confederation; that was to be expected because there will always be groups not sufficiently mature to realize what a great achievement it was and how essential has been the participation of two races and two ethnic groups.

It is agreed that since confederation, Canada has made gigantic progress. The small colony of that time has grown into an independent country and a member of the British commonwealth, as well as a nation in control of its own destiny. Canada has made tremendous progress in the fields of trade and industry and is well known the world over for her contribution to the welfare of the peoples of the world. In the field of diplomacy, we have had Canadians who have acquired wide recognition and who will continue to stand out.

In the fields of arts and culture, there has been remarkable improvement. True, we have not yet reached the quality of the masterpieces found in European countries because we lack the atmosphere conducive to the production of truly Canadian works. As far as literature is concerned, we have finally gone ahead in recent years and developed a truly Canadian literature. And with the help of the Canada Council and the continuing assistance of the various governments in office, we shall soon see the arts and literature flourish in Canada, as they should.

As the Associate Minister of National Defence said, Canada, twice at least, came to the rescue of European nations that needed support to preserve their freedoms and welfare. It did so with pleasure, and the sacrifices made have been recognized.

However, I would suggest to the Prime Minister that the time has come perhaps, since we are to celebrate the centenary of confederation, when Canada might give its armies, spread out across the world, a really distinctive, personal and specific flag, showing no sign whatever of interdependence, in order to prove that Canada has reached its maturity. I think such a project would be accepted by the great majority of the Canadian people, and even if some did object to that, they would be in a small minority that would eventually bow before the majority, as it has always happened since 1867.

Mr. Deschatelets: Very well.

Mr. Caron: I should now like to close my remarks with these few words taken from a Canadian song:

Foreigners see with an envious eye the majestic flow of the St. Lawrence.

Well, foreigners not only see the St. Lawrence with an envious eye, they also see our way of life, our working methods and our democratic spirit. In fact I do not think there is a country in the world where democracy is better understood than in Canada.

I hope we shall be able to celebrate in a grand and glorious way the centenary of confederation, and that our successors will be able to say that Canada is constantly making gigantic steps forward.

(Text):

Mr. Pitman: This measure is obviously one that will receive the support of all parties in this house. It therefore needs little debate. No matter where we sit, I think we are all aware of and appreciate the sense of history of our Prime Minister. We hope this measure will receive his constant personal interest. In our attempts to crystallize our thinking about our nation in its centennial, I hope we shall make some attempt to indicate just how Canada has added to the history of the world.

I can remember one professor who often said that Canada gave a pattern by which more people have received freedom than by any other pattern that has been established in this world. He, of course, meant the pattern of the commonwealth; for Canada led all other nations in finding a method by which a colony could become a nation. It perhaps seems strange that when we heard the announcement of the death of the Secretary General of the United Nations this morning, he should have been dealing with this very problem, namely the attempt to find a method by which undeveloped people who have lived in a colonial state may find freedom within a nation state. I think it brings home to us the extent to which Canada can show the pattern by means of which this may be done. I hope this will be one of the things emphasized in our centenary year. I hope we shall not look inward as much as we shall look outward and show others what we have learned.

I think the second great contribution we have made in our history as a nation is to show the world that two different cultures or, as some would have it, two different nations can live within the bosom of a single nation, can co-operate and can find a single consciousness and a single sense of identity within a nation state. Here again, in a world of bloodshed and trouble, I think this is the means by which we can present to the people of the world another area in which Canada has made such great strides. For indeed as we look at other nations, such as South Africa and others too numerous to mention, where the whole problem of national identity is going through a valiant decision, I think Canadian experience can have some real relevance.

In the year of the centennial of confederation I hope we shall do something to dramatize and even to romanticize the great figures in our past history. Perhaps it has been the lot of the prime ministers of our nation to bring forward the contributions of certain men in our past. I am thinking, of course, of men like William Lyon Mackenzie King, who I think gave us a greater realization of the contribution of his famous forebearer, William Lyon Mackenzie. I also think of the efforts of our present Prime Minister to bring about a recognition of the great work of Sir John A. Macdonald. But there are others, such as Lafontaine, Robert Baldwin and

D'Arcy McGee, who virtually gave his life for this nation, who have not been sufficiently dramatized and who are not sufficiently known by the young people of our nation. I think it is to the young people that our efforts should be directed in connection with this centennial, because as yet they have not a sufficient sense of history in spite of what has been done by various branches of government at the federal and provincial levels.

We are heartened by this advance information in connection with the celebration. Perhaps some people may think it strange that it took but three years to create this nation while it has taken seven years to prepare for the celebration of its centenary. However, we live in an age when people are interested in history, and the various facets of Canadian life must be expressed. I can assure the Prime Minister and this government that they can expect the support of all parties in preparing this opportunity to show the world the contributions which Canada has made to the history of mankind.

Miss Aitken: Mr. Chairman, I wish to say a very few words on this resolution of the right hon. Prime Minister because I am in such wholehearted support of it. The Prime Minister has said that we must plan for much more than just a holiday. He has told us that our founding day as a confederation passed almost without notice, and that John A. Macdonald always regretted this. It may be that if there had been some women in the House of Commons in those days it would not have passed unnoticed, because I think we are much more conscious of anniversaries and celebrations than our male colleagues.

I believe the key word in our centennial celebration should be participation; participation by service clubs, by business organizations, by labour unions, by individuals and by women's clubs. I think one form could be the granting of scholarships, because what an honour it would be for any Canadian to win a centennial scholarship. It certainly would be a once in a lifetime event. There could also be essay contests in Canadian history and in local histories. In Saskatchewan for their jubilee they held an essay contest in local histories. I understand there are now about 3,000 local histories in the Saskatchewan archives. Labour unions might build centennial trade schools, perhaps one in each province. There could be slum clearance contributions by construction companies; literary prizes for books and poems about Canada, perhaps given by press clubs and authors' associations. There are also unlimited opportunities for business organizations.

The Prime Minister has said that the centenary committee has received many suggestions which might cost billions of dollars. Governments alone should not take on these projects or these celebration plans; every Canadian should participate in order to meet the objective voiced by the Prime Minister, which was to stir the imagination of the Canadian people toward national purpose and national unity. I know there will be much pomp and ceremony, parades and gaiety, but let us also celebrate with permanent monuments that will benefit future generations, just as we have benefited from our pioneering forefathers in the spirit and building of Canada.

Mr. McIlraith: Mr. Chairman, the Prime Minister very correctly asked for unanimous consent when he presented the motion for this resolution. As far as my limited power is concerned, I am happy to grant him such unanimous approval for the resolution. I think that is generally the wish of the committee of the whole and of the country.

The Prime Minister took advantage of the occasion, very properly again, to make some remarks as to the history of our confederation and the propriety and objectives in celebrating its one hundredth anniversary. I have very few remarks to make. I will have one or two questions later arising out of the resolution itself, but they are purely of a practical nature and arise out of the wording of the resolution itself. This occasion however also provides the opportunity for expressing ideas, and indeed ideals, concerning the celebration of our centennial of confederation. At the same time it is couched in very practical language and in its main provision sets up the corporation that will have administrative responsibility for making the practical arrangements for the occasion and co-ordinating the efforts of others throughout the whole of the country. Therefore at one and the same time we have in this resolution the opportunity to debate the very large, somewhat idealistic question, and also to discuss some of the practical plans for the occasion.

The Associate Minister of National Defence made some remarks which unfortunately I had to listen to after translation. I regret that I was not able to follow them with that precision of understanding that I believe some of them deserve, particularly the latter part of his remarks. I refer to the ideals he was very properly seeking to express, and expressing well.

I wish the associate minister were here, because the earlier part of his remarks was translated in a way that seemed to indicate that a couple of persons only were responsible

for confederation. That idea was quite inconsistent with the main part of the speech and I think may probably be due to the loss of meaning in translation. I merely mention this because it is my understanding of history that confederation was brought about by a great many men of that period who had a wide vision of the future of this country. It was the collective effort of all of them that brought about this great event in our history.

I think we should be very careful not to say or do anything that would in any way detract from that concept of these men, because my whole understanding of history is that had it not been for the co-ordination of effort and the co-operation of all of them, confederation itself would not have been brought about.

I have some further remarks, Mr. Chairman, so perhaps I could call it one o'clock.

At one o'clock the committee took recess.

AFTER RECESS

The committee resumed at 2.30 p.m.

Mr. McIlraith: When the committee rose for the luncheon adjournment I had not completed my remarks, but since this resolution will, I hope, be unanimously approved I think perhaps it would be as well not to extend my observations unduly or expand them at any great length for fear they might detract somewhat from the unanimity which is certainly desirable.

The development of the proper type of celebration for this occasion will require the participation of great numbers of Canadians, a point which was well taken by the hon. member for York-Humber. It will require the co-ordination of the work of a great many groups and committees throughout the country. Indeed, the more one thinks about it the more one is convinced that it will require a genius to head this organization and guide it in the way it should go, because of necessity there will have to be very close co-operation among provincial groups, provincial committees, local groups and municipal committees. The different points of view which will be put forward will also require co-ordination. The wholly artistic and creative approach will need to be reconciled with a more practical viewpoint in the light of what it is possible to do in a practical way.

I must say that today I extend to the Prime Minister not only good wishes on his birthday, but the hope that he may be blessed with the great skill and wisdom necessary for the wise selection of the personnel he will be appointing in connection with this celebration. This is a task which will require the greatest skill and wisdom. The occasion must be commemorative of the past. That is, of course, elementary. But we must be careful throughout to see that it is inspirational for the future, and that the whole of the celebration throughout the land is ordered in such a way that it will serve as a source of inspiration to those who come long after. This is why it is going to require such wisdom in the appointment of persons able to reconcile the two viewpoints I have mentioned and arrange the functions in a way that is both imaginative and practical.

Some reference has been made by previous speakers to the need for making Canadians aware of Canada; I think this was one of the phrases used. I am in complete accord. As a matter of fact there has been a good deal of discussion of history during the hour or so in which this resolution has been under consideration, and it occurs to me that at this point in our national progress, after making allowance for the economic condition of Canadians as individuals compared with a hundred years ago and after making allowance for the increased travel facilities available, it is probably true to say that we individual Canadians move about our country much less than we should, and know and understand less about other Canadians than we should. I hope that as the work of preparing for this centennial celebration proceeds, a new impetus may be given to the desirability of Canadians moving about Canada a great deal more. Increased importance should be attached to Canadians studying the history and geography of Canada a great deal more so that all of us will have an appreciation of the problems and aspirations of those in other parts of Canada. All Canadians should have a better understanding of the culture, aspirations, habits of life and methods of approaching the problem of living in a civilized society of Canadians in all areas of Canada.

As Canadians we seem in general to be given to travelling to other countries when family units take trips. While that is an excellent thing in itself, I am sometimes appalled at how little Canadians in one part of the country know about the culture, problems and aspirations of those in other parts of the country. I would hope that in the intervening six years as we prepare for the centenary a great deal of added impetus will be given to the study of Canadian history by Canadians, not only in an academic sense through textbooks and cultural programs but in a very real sense through personal contact by moving about the country.

Much has been said about the ethnic groups that form this country, and I am in hearty accord with those remarks. When one analyses it, it seems to me we are really a race of minorities; of great numbers of ethnic groups each with distinctive characteristics and diversified and outstanding cultural attributes. When these centennial programs are initiated across the country, with all Canadians participating, I hope that background will be acknowledged and the programs arranged accordingly. I also hope, however, that running through them we will have the theme that we are now Canadians, and that while we are cherishing and keeping alive the various rich traditions and cultures that have contributed to this nation, we are doing so because they have contributed to our Canadianism, that we are now Canadians one and all, that it is Canada's centenary we are celebrating.

To accomplish this will require infinite tact, discretion and judgement. One adds to the other, as I view the question. In other words the richness of these cultural backgrounds enhances our Canadianism. It is only if these diverse backgrounds are mispresented at public functions that they become separate and detract from our Canadianism. I hope the kind of good judgment required to derive the maximum value from our rich assortment of backgrounds will be used, as I am sure it will be.

As our planning proceeds there will be need to focus the theme of this centennial occasion, and to keep it in focus. I have been reading with a great deal of interest the report of the first annual meeting of the Canadian centenary council in Ottawa on May 12, 1961. I do not know how to adequately describe the material contained in this publication, but perhaps I should draw attention to the reports of program research it contains. They contain an abundance of ideas, most of them excellent. What we must watch in the six years ahead in preparing for the centennial is that these excellent ideas are focused on one great theme.

I hope that in the legislation to be presented some provision will be made to bring this subject matter forward in the House of Commons each year so that hon. members may have an opportunity to express themselves on the direction of the organization, making sure it is focusing on a theme that is worthy of the occasion and is not allowed to become diffused and spread into preparations for a gigantic party celebration for the sake of having a party.

Perhaps the Prime Minister will have something to say on that point, and I hope something can be done in that respect. There are various ways by which this could be accomplished, including an annual vote by parliament to provide funds, but it is not necessary to elaborate on the means at this time.

I shall now conclude this portion of my remarks. I have one or two questions I wish to direct to the Prime Minister, but I shall reserve them until those who wish to make general remarks on the subject have had an opportunity to do so.

(Translation):

Mr. Regnier: Mr. Chairman, as a member for Manitoba and especially fo rthe city of St. Boniface, which is the cultural centre of French speaking Canada west of the Ottawa river, it is my duty to say a few words on this resolution. I commend the Prime Minister (Mr. Diefenbaker) for having taken this step six years before the hundredth anniversary of confederation.

Since we will soon be celebrating that centennial, I feel that we should do the same thing as a person who would have lived in the same house for a long time. We should call in architects and engineers to look over the building and see whether chinks have not formed in the structure over the years.

We know that the constitution of 1867 provided for the harmonious coexistence of two great cultures on a basis of unity. I regret to say that since then, especially since 1890, more than one chink has made its appearance in the province I represent.

We will need a lot of concrete to repair the damage caused since then.

The province of Manitoba was the first one to join confederation in 1870; at that time it had a population which was mostly Catholic and French speaking and which felt that the constitution was supposed to protect minority rights for the future. Yet, a few years afterwards, all guarantees were swept aside.

In the city I represent, we have schools which we must build at our own expense and teachers whom we must also pay ourselves. Why do we do that? It is because we wish to keep our French culture. What do we learn in those schools? We follow the curriculum of the province of Manitoba to acquire also the English culture. I am proud to have had the privilege of acquiring the two greatest cultures of the world, the French and English cultures. However, it is unfortunate that we should have to bleed ourselves white, in Manitoba, to have teachers who help us preserve our culture, and that we should also have—

(Text):

The Deputy Chairman: Order. I am sorry to interrupt the hon. member, but his remarks are not related to the resolution before the committee. I would ask him to relate his comments to the subject of the Canadian centennial before the committee. The subject he is dealing with now is not within the jurisdictional authority of the federal government. Therefore I would ask him to come back to the resolution, if he will, please.

Mr. Regnier: With great respect, Mr. Chairman, I am suggesting that some work should be done by the committee. I am implying that after living for 94 years in one house, this house needs inspection. We should get an architect and engineer to look at the state of the foundation of our building. I say there are cracks in this building. I say that in the province that I come from there is a huge crack that has been existing for more than three quarters of a century. I say that the committee should direct its attention to all the governments of the English speaking provinces and give justice and fair play to all.

We are talking now of repatriating the British North America Act from London. Most of the things that we have received in this country have come from London. We received the Quebec Act. We had a governor in 1846 who said that in Canada the French and English languages were on the same footing. Unless all the provinces, including my own, are prepared to live up to the British North America Act and to the Manitoba Act of 1870, it might be a good idea to leave the British North America Act where it is today.

I read in the press recently that the province of Manitoba is paying for three school teachers to go to Asia to teach. This is happening at the same time I have to pay so much every Sunday to try to maintain my own culture and my own schools in the city of St. Boniface. What do we teach in those schools? We teach the curriculum of Manitoba—

The Deputy Chairman: Order. I am sorry I have to interrupt the hon. member again to advise him that the matter being discussed by him is a provincial issue which I cannot relate in any way to the resolution before the committee. I suggest to the hon. member that there will be other occasions and opportunities for him to discuss this matter. As I read the resolution, it does not embrace the matters the hon. member is now discussing, therefore I would ask him to relate his remarks strictly to the resolution, or he will have to resume his seat.

Mr. Regnier: With great deference, Mr. Chairman, I believe it is in order to speak about what the committee that we are about to appoint should do when we celebrate the centennial of our constitution. We should work toward the greatest aim in our nation, namely Canadian unity.

I respect my English fellow Canadians. I know that most of them are quite broad-minded and tolerant. They acknowledge the fact that this nation is composed of more than one ethnic group. I know the fault is not with the people; sometimes it is with governments. If we wish to celebrate another anniversary in 200 years from 1867 we shall have to learn how to get along. The greatest monument that could be erected in 1967 would be to have the greatest concord that is possible in this country. We should endeavour to promote such a program by having study groups, by having those who are going to take part in the celebration prepare briefs and make recommendations so that all the people of the country will see that what is best for Canada is best for every citizen of Canada, along with our neighbours.

I do not want my English speaking fellow Canadians to learn French or to adopt the French culture. All we want is that those who desire to become acquainted with the French culture be given full freedom and opportunity to do so.

Mr. Herridge: Although I have spoken previously on this resolution I should like to say a word before the Prime Minister closes the debate. I should like to make a comment and ask a question which I should like him to deal with when he replies. I am quite sure we all realize that to assure the success of our Canadian centennial celebrations we must have co-operation—that is essential—among all levels of governments and all interested groups. In my opinion, to a great extent that success will depend on the information given to those various groups and the continuous contact among various groups, from national organizations down to village societies and small community groups.

When the Prime Minister replies will he inform the committee what are the proposals for continuous information being given to interested groups, particularly the voluntary organizations, and the arrangements for continuous contact in order to focus public attention on the work of the committee and the program and continually to develop and promote interest in this proposal.

Mr. Macquarrie: Mr. Chairman, I am glad to have an opportunity to say a word about this important and very happy matter which has come to us on this day which is marked by unhappiness and indeed by tragedy. Perhaps it would be inappropriate for this resolution to pass without a word from a member from the maritimes where, after all, confederation began.

Canadian Centennial

We Canadians are not an historically minded people. It is altogether fortunate for us that we have a Prime Minister who is historically minded. I was much impressed with the thoughts he gave us today and with the plans he outlined. I have also been very much impressed with the suggestions made from various parts of the chamber with respect to the celebration of our great centennial. I think it altogether fitting that the Prime Minister laid the emphasis he did on the great questions of tolerance, mutual understanding and the great freedoms.

Our country began with the union of more than one ethnic group. It has now broadened and developed and contains many strands. I am one who has little support or sympathy for those who would think we have any other way but the united way. We in Canada find it difficult at times to reach back in history and discover that great blinding moment of truth. It is said that when the republic of Argentina turned over to Canada a square in the capital city of Buenos Aires they expected that on that square this country would erect a statue to our liberator, because in Latin America the equestrian liberator is the great figure of history. I would hate to be called upon to state what mounted figure should represent Canada in any square in any part of the world. We do not have a great revolution to which we can refer. As the Prime Minister says, the 1867 episode occurred without a great deal of fanfare, without a great deal of fuss, and with not too many of these excited utterances that appeal to public opinion and to which other countries point when they look down the historic passages of time.

We have not had much bloodshed although, as the Associate Minister of National Defence said, when it came to shedding blood for great issues Canadians were in the forefront. Indeed we can say, Mr. Chairman, that our anthem of nationalism has been played in a minor key. In fact sometimes we have not even been aware of the great things which were accomplished. The achievement of 1867 is as remarkable an achievement as ever occurred anywhere in the world, requiring continuing statesmanship to hold together a collection of communities when great factors were there which would contribute to their disunity and perhaps even their disintegration.

I often think it is typical of our lack of appreciation of these things when I go to that beautiful village of Grand Pré in Nova Scotia, where for many years everyone knew about Evangeline national park and the monument there to a mythical figure created by a United States poet, while a stone's throw away was the birthplace of one of our great Canadian statesmen, Sir Robert Borden, unmarked and unknown except to a very few people. I believe our Minister of Northern Affairs and National Resources is correcting this situation. We have missed the jingoism, and I think it is well that we have; but as hon. members have said, it is time for a greater awareness of what Canada is and what Canadians have done.

I like the emphasis put by the hon. member for York-Humber on the fact that this must be an opportunity for the young people of our land to inform themselves, to interest themselves, and indeed to be inspired by what this great country is all about. As we go forward with the centennial plans, Mr. Chairman, hon. members will have an opportunity to see a preview of the great celebrations to come in the celebrations for the Charlottetown conference of 1864. As the hon. member for Peterborough said, it took three years to effect confederation. We look upon the opening event as the one which took place in 1864.

Here the historians and publicists have done us a great disservice. You will read that the islanders were busy at a circus when the delegates came and did not properly greet the visitors. This is not altogether true. The delegates stayed there for eight or nine days and were well entertained at Government House, that historic and beautiful building which still stands. How could visitors be treated more kindly than by the maritime delegates agreeing to set aside their own subjects of discussion in order to hear the distinguished representatives of the old provinces of Canada? This surely was hospitality.

Perhaps that unsung feeling of mutual understanding was expressed by a little incident which took place in Charlottetown in September of 1864. The orator, the great speaker of the visiting group undoubtedly was Thomas D'Arcy McGee, the ancestor of my colleague the hon. member for York-Scarborough. On the night they held the ball at Government House in Charlottetown where was McGee? He was in the city lecturing, and on what? He was lecturing on Robert Burns, and delivered one of the finest talks ever given on that finest of poets.

In 1964 there will be events which will celebrate this preliminary and essential step in the confederation development. The province of Prince Edward Island has invited the area conference of the Commonwealth Parliamentary Association to meet in Charlottetown. This will be a direct repetition of the event of 1864, namely a gathering of the political leaders of all parties from all over Canada, (now a much enlarged Canada, a much greater Canada), in the birthplace of confederation. I think the inscription on the

wall of the confederation chamber is one, and I say this unashamedly, which we should not forget in these difficult times. These men went there from what might be said by some to be primitive legislatures; and small communities and sat down to build a great nation. The inscription which is on the memorial erected to them states simply, "Providence being their guide, they builded better than they knew." Perhaps never before have we had a greater need for the guidance of Providence.

So, Mr. Chairman, I am filled with great pride and pleasure at the steps which are being taken to celebrate our nation's birthday. It is appropriate that these steps are being taken on the birthday of the Prime Minister. I tender him my good wishes on this happy day for him. I know that we will all, irrespective of our place in Canada, our place in society or our place in this chamber, unite in a great effort to make this centennial worthy of our great country.

The Deputy Chairman: Has the hon. member for Ottawa West some questions which he wishes to ask?

Mr. McIlraith: Yes, Mr. Chairman. The questions arise out of the resolution itself and the remarks of the Prime Minister. I wonder if at this stage the Prime Minister would mind elaborating a bit more as to just how he proposes the relationship between the national conference and the centennial administration will work out. I would ask him to develop that a bit further. Then, I have no criticism whatever of this, but the Prime Minister did not make any remarks about the financial side of the resolution, and how the money would be provided for this purpose. Presumably the resolution is being brought before the committee in order for the committee to pass on whether or not money should be provided for this purpose.

Is it the government's intention that the funds required should be provided directly through votes of other departments, or is it intended that the money will be provided directly to the corporation to be set up? I have in mind such things as the national capital commission, possible grants to provinces, and so on. Will the financing be done through this corporation or directly by the government? If the Prime Minister is in the position to do so, although I would not expect he would be at the moment, could he give us any idea as to what the cost will be, whether this involves a large expenditure of money or whether the resolution envisages something in the nature of planning and organization rather than the expenditure of money?

Then there was one other matter upon which the Prime Minister may wish to express himself, but I do not propose to press it. Would he describe the set-up of the national conference and the work of this organization? As I understand, he set out in part the composition of that very large conference, which will include representatives of the federal government and representatives of the provincial governments. Since 11 governments are involved, and as governments change, was it his intention that this should be made an all party type of conference in all the 11 jurisdictions, or does he envisage it being a government conference as such? I am drawing the distinction between governments as such and all the parties. I hope it will be an all party set-up as I think that is the way in which this subject must be approached if for no other reason than the practicality of the situation. It is inevitable that governments will change within the six years. I refer to some of the 11 governments. In order to get the kind of continuity that is desirable, thought should be given to the wisdom of making the representation on that conference, whose duties as I understand it will be largely advisory, on a larger basis than merely that of the government in office in any given jurisdiction at any given moment. If the Prime Minister could clarify those points it would perhaps be helpful to the committee. I certainly should be grateful if he would do so.

Mr. Diefenbaker: First, Mr. Chairman, I should like to thank hon. members in all parts of the chamber for the contribution each has made in placing before the committee ideas and suggestions, all of which will receive full and complete consideration.

Possibly I should begin by answering the questions asked by the hon. member for Ottawa West. While I am not at liberty to refer particularly to the bill, may I say this. The national centennial administration tc which I made reference will have the right to expend any moneys appropriated by parliament for the work of the administration or received by the administration through the conduct of its operations or by gift, donation, bequest or otherwise.

As to the second question asked by him, may I say this. It is the purpose and object of this legislation when brought before the house to assure that the celebration to take place in 1967 shall be a national celebration representative, as I said earlier, of all the people of Canada, and naturally representative of all the political thinking of Canada. To that end provision will be made in the legislation so that each province will appoint

two members to the organization to be set up in that connection known as the national conference on Canada's centennial.

I think that covers the two questions the hon. member brought before the committee, although earlier he made reference to an opportunity being given to the House of Commons each year during the next six years to express its views with regard to matters which, in the opinion of members, it might be necessary to discuss in order to improve and to expand the work of the conference or of the administration. While there is no definite plan in that connection I should think it would be considered the course of reason to give the house from time to time the opportunity to place its collective views before the government and, through the government, before the conference and the committee.

It has been a worth-while occasion as we forget for a moment those things that ordinarily separate us and as we deal with a matter of national importance, see the degree of unanimity that has been apparent here during the course of the discussion. There have been many plans. Someone has asked what the total expenditure will be. That, of course, is a matter of conjecture. It will depend upon the nature and extent of the celebration to take place. It will depend as well on the extent to which the provinces co-operate and make their contributions. I would also hope there would be many private organizations which would feel the urge to make a contribution to the objective we all have in mind, namely a declaration to all the world of Canada's attainment of its centennial and also of our plans for the future.

Indeed, I should not be surprised that the time is not too far removed when the Canada of today will have additional provinces. Confederation was greatly strengthened when Newfoundland became a member of it. That was a step which it had been hoped would be achieved in 1867 or shortly thereafter but which, by reason of circumstances, was postponed for some 80 years. There are other northern areas that are developing. As Canada spreads northward and as national development carries on still further in the direction of the pole—I refer to the developing population of those areas—we may yet see one province and possibly two added to the existing 10 within the lifetime of numbers of hon. members sitting in this chamber.

As I listened to the hon. member for St. Boniface I recalled the words of Sir George Etienne Cartier in 1867, at the time the nation had its beginning. His words were these:

[Mr. Diefenbaker.]

> The time has arrived to form a great nation, and I maintain that, as far as we are concerned, confederation has become necessary to our commerce, our prosperity, and our protection . . .
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> The government is of the opinion that confederation is necessary, but it is ready to hear the honourable members on the other side who apparently intend to oppose it. I am aware that members of this House and a number of people in Upper Canada and the maritime provinces believe that a legislative union would be more advantageous than a confederation. As far as I am concerned, I believe that a single government could not deal properly with the private and local interests of the various sections or the various provinces. No other system is practicable but a federal system. It is pretended that it will be impossible to carry out confederation on account of differences of race and of religion. Those who hold that opinion are in error. It is precisely on account of the difference in races and local interests that the federal system should be established and that it will work well. We have often read in the newspapers—and there are public men who hold likewise—that it is a great evil to have such different races, such distinctions between French Canadians and English Canadians. I desire in this connection to vindicate the rights and merits of the French race in Canada. It will suffice to recall the efforts which the French Canadians made to uphold British power on this continent, and to show their attachment for the British crown in a time of trial . . .
>
> Objection is made to our project, because of the words "a new nationality". But if we unite, we will form a political nationality independent of the national origin and religion of individuals. Some have regretted that we have a distinction of races, and have expressed the hope that, in time, this diversity will disappear. The idea of a fusion of all races is utopian; it is an impossibility. Distinctions of this character will always exist; diversity is the order of the physical, moral and political world. As to the objection that we cannot form a great nation because lower Canada is French and Catholic, upper Canada English and Protestant, and the maritime provinces mixed, it is futile. Take, for example, the United Kingdom, inhabited as it is by three great races. Has the diversity of races been an obstacle to the progress and welfare of Great Britain? Have not the three races united by their combined qualities, their energy and their courage, contributed to the glory of the empire, to its laws so wise, to its success on land, on sea and in commerce? In our confederation there will be catholics and protestants, English, French, Irish, Scotch, and each by its efforts and success will add to the prosperity of the dominion, to the glory of the new confederation. We are of different races, not to quarrel, but to work together for the common welfare. We cannot by law make the differences of race disappear, but I am convinced that the Anglo Canadians and the French Canadians will appreciate the advantages of their position. Set side by side, like a great family, their contact will produce a happy spirit of emulation. The diversity of races will in fact, believe me, contribute to the common prosperity.

That was the spirit of 1867, and that is the spirit of today. Indeed, when people tell me there are no developments taking place within our country toward the formation of a national purpose, I speak as one who on this day naturally looks back on his own lifetime. Who would have thought it possible that the day would come when a person of other than entirely British or French origin would be prime minister of this country? That would

have been a utopian dream; that would have been a figment of the imagination, but that is what has been brought about within this land. The divergencies of race and religion, while maintained constitutionally, none the less do not deny anyone within this land, whatever his origin, making his contribution to the country and having the support of all the people in endeavouring to do so.

That is the kind of Canada we are building. We are maintaining the rights under the constitution which must be inviolate and unchangeable, while at the same time bringing to this nation those of every race and religion, building a Canadianism. As I look back over my lifetime I see the tremendous change that has taken place. There is a new spirit of tolerance. There are some who say "Oh, we are divided east and west on the basis of race, origin and religion". I have not found that. I have found in my lifetime, and in particular since holding the responsible office that I hold today, that every part of this country, whatever its divergencies and differences may be, is united in a Canadianism and in a desire to build a strong, virile, vibrant and vital Canada.

I return now to the question of some of the things that might be done. While there will have to be diversification in the preparations —I am thinking of the capital city of Ottawa —we must keep other factors in mind. What are some of the things that have been suggested? In mentioning these I do not of course indicate that each and all of them will be accepted, but here are some of the suggestions that have been made.

One is the acceleration of the national capital plan. The next is the preservation of our historical monuments. I have dealt with this matter on previous occasions. One of our aims and purposes should be to preserve those places that are indeed the citadels of our freedom, that too often are removed or destroyed in order to meet the exigencies of modern life. One of those places is Earnscliffe, today the home of the British high commissioner in Canada. There indeed is one of those monuments that I hope in the years ahead will become part of the Canadian tradition and the property of the dominion. As one walks about in that place and sees the history of our country, one cannot help but have that feeling. One who has given strong support to that suggestion is the hon. member for Bonavista-Twillingate. I refer to the necessity for the preservation of these things that, after all, show the greatness of a nation.

Then there has been suggested the establishment of a museum of Canadian history. Mention has been made of the greatness of our historical background. I await the day when a history will be written which is acceptable to all Canadians, representative of the greatness of our past, compiled by representatives of the two basic races and the other races to the end that no portion of the majesty of our past will be lost to the present and to the future. There has been the suggestion of a concert hall to make the nation's capital the artistic centre of Canada, to be taken in conjunction with the art gallery and those other institutions of art that we have within our city. The national library and the development of Sussex drive, along the lines that have been sketched and outlined by the Minister of Public Works, is a step in this direction. These are some of the things that will give substance to our national centennial and will also provide for Canadians yet unborn worthy and helpful institutions for the future. I return to one thing I have advocated throughout the years.

Mr. Pickersgill: Mr. Chairman, I wonder whether the Prime Minister would permit me to ask him one question before he goes on to this other point. I notice the Prime Minister did not mention a national auditorium. It seems to me—and recent events in Ottawa have made this very clear—that nothing is more needed than proper surroundings in which a national assembly could be held. This has been demonstrated by their lack in the last two or three years here in Ottawa.

Mr. Diefenbaker: Mr. Chairman, I am glad to know that idea has just developed within the last two or three years. It is one of those things the need for which has become very apparent. It was not one of the matters that were brought to our direct attention as a result of the suggestions made, although there was a reference to a national convention headquarters. Certainly it would be possible I should think, for one of the institutions already mentioned to be used for the purposes the hon. member has in mind. I was about to mention once more the portable institution of the Canadian freedom train. The United States tried out this plan, I think some 15 years ago, and to every part of the union went a freedom train in which were kept the various charters of American freedom. The youth of the United States was thus privileged to see something of the greatness of its past and some of the foundations of American liberty. I hope that we in Canada may be able to secure from the United Kingdom some of the great charters of freedom that are ours, and that from France we may secure those declarations of the latter part of the eighteenth century—the declaration of the rights of man—and then the various other statutes of our own country which are part and parcel of our constitutional development,

beginning with the Quebec Act which, as I said earlier today, provided for the first time in the history of what is today the commonwealth, for freedom of religion, in addition to the Constitutional Act, the Act of Union, the British North America Act, the Statute of Westminster and any other statutes and constitutional documents, including the bill of rights, habeas corpus and magna carta which are part of our heritage. Hon. members may realize that there is no copy of the British North America Act in an official form—that it was just a statute in the normal manner of the passage of statutes through the United Kingdom parliament. Our foundation instrument is not an attractive one in the sense of its decorative or artistic qualities but it does represent something and there is a copy available which would be of great interest to the people of our country.

I do not think there is anything further I wish to say at this time except once again to bespeak the co-operation of hon. members and of the people of Canada as a whole so that when the organization is set up it may be said of us, in the words quoted by the hon. member for Queens which appear in the room in which the fathers of confederation met in Charlottetown, as it was said of them: "They builded better than they knew".

Resolution reported and concurred in.

Mr. Diefenbaker thereupon moved for leave to introduce Bill No. C-127 respecting the observance of the centennial of confederation in Canada.

Motion agreed to and bill read the first time.

Mr. Speaker: I am informed that in committee the Prime Minister offered for tabling suggestions received from various sources concerning possible projects for Canada's centennial celebrations. Does the house agree to the tabling of this document?

Some hon. Members: Agreed.

NATIONAL HOUSING ACT

AMENDMENTS INCREASING AMOUNTS AVAILABLE FOR LOANS AND RESEARCH

Hon. D. J. Walker (Minister of Public Works) moved that the house go into committee to consider the following resolution:

That it is expedient to introduce a measure to amend the National Housing Act, 1954:

1. To increase from one billion five hundred million dollars to two billion dollars the maximum charge on the consolidated revenue fund for direct loaning by Central Mortgage and Housing Corporation;

2. To increase from five million dollars to ten million dollars the maximum charge on the consolidated revenue fund for housing research and community planning;

[Mr. Diefenbaker.]

3. To increase from fifty million dollars to one hundred million dollars the maximum charge on the consolidated revenue fund for loans for university housing projects;

4. To increase from one hundred million dollars to two hundred million dollars the maximum charge on the consolidated revenue fund for loans for municipal sewage treatment projects.

Motion agreed to and the house went into committee, Mr. Chown in the chair.

Mr. Walker: Because of the sincere and continuing interest of all hon. members in the question of housing, I propose at this time to make what might otherwise be considered as a somewhat comprehensive statement to the best of my ability so that I may anticipate some of the questions which must be in the minds of many of us after the summer recess.

Housing is a subject which has in a great measure been above party politics during the time I have been minister. All members of the house, in accordance with their own points of view, have made efforts to contribute toward the provision of better housing for our people and I know that everyone, regardless of where he sits, will be happy to know that since June, 1957, a new dwelling unit—a house or apartment—has been completed virtually every minute of every working day during the four year period.

The provision of new housing at this spectacular and unprecedented rate is, I respectfully suggest, an accomplishment in which each of us can take just pride. It is an accomplishment which we can better appreciate when we measure it in terms of human beings—hundreds of thousands of Canadian families obtaining new homes, many for the first time, or at least moving to a new and better environment in which to live and nurture their children. It is an accomplishment, too, which clearly indicates the forthright, considered and, if I may say so, successful approach by this government to a vital social and economic problem of national proportions. It is also interesting to know that there are today two million Canadians living in new homes—homes which were not built when this government took office four years ago.

Of the housing accommodation built since 1957, 42.6 per cent, or very close to one-half, was financed under the National Housing Act and, in turn, approximately one-half of the N.H.A. total was constructed with direct federal government assistance. To put it in another way, more than 595,000 new dwelling units have been built during the past four and a half years, of which some 252,000 were financed under the National Housing Act; and of the N.H.A. content, more than 132,000

units were made possible through the medium of public mortgage funds aggregating $1,264.9 million.

This, of course, is only a part of the story and I shall, if I may, deal with some of the other aspects a little later in my remarks. I shall be very happy to answer any questions asked by hon. members and to receive their suggestions as to how we can better go forward to build what we hope will be a magnificent program in housing. Meanwhile, Mr. Chairman, perhaps I may be permitted to review very briefly the situation that faced us in 1960, the positive actions taken by the government and the reflection of these actions in the results attained.

Hon. members may recall that on November 22, 1960—it seems so long ago when this session began; on that occasion I believe I had the privilege of introducing the first measure of the session—in introducing another measure to amend the National Housing Act, I said:

> For the first time since the war demand for housing has become a limiting factor.

There were good reasons for the pause. The pressures of population and income growth had abated and the sustained rate of building in the post-war years had greatly improved general housing conditions. But it was a pause and I believe I was careful to stress that we considered it to be nothing more than that, a rest for revaluation, a time to take stock ourselves.

Our assessment, which events are already showing to be a valid one, was based on general acceptance of the fact that a very real need for good housing still exists, especially for the lower income groups, and will continue to exist for many years to come. But as 1960 advanced, it became increasingly apparent that we were undergoing a transition, a transition from 15 years of active, unbroken demand to an anticipated period of marked improvement throughout most of this decade when the children born in the years following the war will reach maturity and enter the housing market.

There were of course many problems accompanying the transition, problems that required a hard day to day scrutiny of our housing policies. As a result new measures geared to meet changing conditions were enacted from time to time by parliament and our administrative arrangements which are designed for a maximum of flexibility were also revised as required.

During last fall several other measures were introduced to stimulate winter construction and to encourage the highest possible level of employment in the building trades. These included a reduced rate of interest on loans to limited dividend companies providing rental accommodation for lower income families and for elderly persons; and extension of home improvement loans to rental properties including apartment houses. I need hardly say that these measures have had a tremendous influence on the house building industry in this past year.

The importance of housing to the economy was given further emphasis in December, 1960, when a major rejuvenation of the National Housing Act was effected. Parliament passed a number of amendments which gave the act new purpose and which today are having far reaching consequences for the nation as well as for the housing industry. As a matter of fact we are very pleased to have noted that as Canada worked its way out of the recession it was the housing industry directed by the government which led the way.

Hon. members will recall, for instance, that the ratio of loan to lending value was increased to provide higher loans and lower down payments; the maximum National Housing Act loan by regulation was raised; the permissive repayment period was extended to 35 years; funds available by statute for redevelopment of the blighted areas of our cities were doubled to $50 million; the federal-provincial partnership arrangements were widened to permit the acquisition and renovation of existing lands for public housing.

In addition, of course, two completely new concepts were introduced into the National Housing Act, federal assistance to municipalities to finance the construction of sewage treatment projects and to universities to provide living accommodation for resident students.

What have been the results of these perceptive, imaginative actions? What has happened as a result of the government's determination to stand by every bona fide home owner applicant and any builder who has a purchaser?

I can tell the committee that while the value of contract awards in the business, industrial and engineering fields declined by about 10 per cent, 15 per cent and 25 per cent respectively during the first seven months of 1961, residential contract awards jumped by some 30 per cent. These are remarkable figures to contemplate, but it is patent that new house construction and, in turn, new employment opportunities would also have suffered materially had activity not been spearheaded by an effective, up to date National Housing Act in the passing of which measure all hon. members of this committee shared.

Why have I stated that new employment opportunities and new house construction would have suffered materially? Because conventional mortgage loans were down sharply in the early months of 1961 with declines ranging up to 50 per cent. I need not explain what is meant by conventional loans; these are loans made outside of the National Housing Act. In May, with loans down by only 15 per cent there were signs of a levelling off but the improvement did not continue into June when loans were 32 per cent lower. It is therefore readily apparent that the volume of residential construction was able to show a substantial increase only because of the proven potential of the N.H.A.

At the half-way point of 1961, 71,648 dwelling units were under construction, compared with 65,694 at the end of June, 1960. Urban dwelling starts in the first eight months of the year exceeded those for the same period of 1960 by 29 per cent. However, because of the upturn in new housing starts in the late months of 1960, we cannot expect gains of this magnitude to continue throughout the balance of 1961. Nevertheless, there will certainly be an appreciable increase for the year as a whole.

National Housing Act lending activity in the field of residential construction has registered important gains over 1960. In August, N.H.A. loans were approved for 5,832 dwelling units. This represents an increase of 86 per cent over the same month of 1960 when the total was 3,131 units.

Total N.H.A. lending activity for the first eight months of this year climbed to 45,150 dwelling units, compared with 16,584 units for the same period of 1960. It is most encouraging to note that approved lenders operating under the act accounted for 26,702 dwelling units in this period, compared with last year's 10,449 units.

There has been an even greater increase in the amount of public funds invested in new house construction. Loan approvals by Central Mortgage and Housing Corporation in the first eight months of the year were for 18,448 dwelling units, as compared with 6,135 units in the eight months of last year.

If each new dwelling unit financed under the National Housing Act involves 2½ man-years of employment on and off site, the N.H.A. mortgage lending for eight months of this year has contributed to more than 112,000, man-years of employment and, of these, direct federal lending has been responsible for 46,000 man-years. Therefore, when you see unemployment figures falling and employment figures rising so rapidly you can appreciate that in the first eight months of this year the activity of the National Housing Act has contributed to more than 112,000 man-years of employment.

What has this increased activity meant in terms of the market for new housing? The answer is that there is a nice balance between production and consumption. We have been attacked in some newspapers because of alleged overproduction, but in spite of the volume of new housing, output has kept pace with demand but has not been allowed to leap ahead of it. The market has, in fact, showed continued improvement since February of this year when there were 4,913 dwellings completed and unoccupied in metropolitan and major urban centres. At the end of August, this inventory of new housing had dropped by more than a thousand units to 3,903, the lowest since September of last year, notwithstanding the very substantial number of completions from March to August, inclusive. Therefore, the facts belie the suggestion that this great housing program has caused overproduction when in fact in a six-month period there are more than one thousand units of housing now occupied which was not occupied before. In other words, we have the number of unoccupied units reduced to 3,903. Of course, as the committee can appreciate, this is about a two weeks' supply of housing in Canada.

The committee may be interested at this point in a brief comparison of our experience in Canada with that of the United States. Starts in the United States from January to July, 1961 were 1 per cent below those of the previous year. I ask the committee to note these figures. Starts in the United States were 1 per cent below those of the previous year. This was in contrast with an increase of 26 per cent in Canada. For the full year, 1961, the United States department of commerce has forecast an increase in starts over 1960 of 3 per cent. In Canada we predict the comparable increase will be more than 10 per cent.

The federal housing act and veterans act loan applications for the first seven months of 1961 were 3 per cent higher than in the year before. In Canada there was an increase of 194 per cent in N.H.A. loan applications for the same period. I ask the committee to note that the federal housing act in the United States and the veterans act loan applications in the first seven months were 3 per cent higher. In Canada the National Housing Act loans were 194 per cent higher.

Both in the United States and in Canada, demand has been recognized as the limiting factor on housing starts. In both countries

legislative changes have been made to widen the band of prospective home owners. These changes were made in Canada last December when the house was good enough to adopt the amendments to the National Housing Act and in the United States our lead was followed last June. In both cases down payment requirements were reduced and permissive repayment periods were extended.

The maximum interest rate on F.H.A loans in the United States was lowered by one-quarter of 1 per cent in February of this year and by another quarter of 1 per cent in May. However and this is very significant—the widening of discounts since the last reduction has brought the effective F.H.A. rate, as far as lenders are concerned, above the maximum and, in fact, has offset much of the May reduction. Furthermore, the Wall Street *Journal* reported:

> F.H.A.'s role in the housing market has been declining in recent months, indicating more mortgage lenders are shunning the agency's insurance programs.

In other words, they are shunning the approved lenders program similar to that in Canada. This is being shunned in the United States and has been caused by an artificial reduction of the interest rate in that country.

That the actions taken in the United States in reducing the F.H.A. interest rate on two occasions within four months is being regretted is apparent from speculation today that the Kennedy administration is considering whether it should restore the maximum interest rate permitted.

The continuing and very substantial federal participation in residential mortgage financing in Canada brings me to the first of the amendments to the National Housing Act that we are proposing at this time. All hon. members have the resolution in front of them. Simply stated, it is recommended that the amount that may be paid out of the consolidated revenue fund to Central Mortgage and Housing Corporation for direct lending be increased by a $500 million to $2 billion by an amendment to section 22 of the act.

The committee will appreciate that section 22 presently authorizes the corporation to borrow up to $1.5 billion for this purpose. At September 8, 1961, commitments aggregating more than $1.26 billion had been made to borrowers. Loans are, as I have already indicated, continuing to be approved at a higher rate than anticipated and, if the pace is maintained, the entire statutory authority will have been virtually committed by December 31, 1961. Thus it is necessary to come to parliament at this time.

I might point out that the annual commitments by the corporation during the past few years have been as follows: 1957, $233 million; 1958, $373 million; 1959, $343 million; 1960, $161 million; 1961, estimated $300 million.

A few moments ago I referred to another aspect of the National Housing Act operations that is particularly noteworthy at this time, namely loans for municipal sewage treatment projects. These loans are playing, as the committee knows—and I hear it from hon. members on both sides of the house and from all groups in the house—a major part in new construction across the nation and our second proposed amendment relates to the funds required to continue this assistance.

For many years water and soil polution have been on the increase; they have become a national problem. When this government took office it was alarmed to find that less than one sixth of our urban municipalities had adequate sewage treatment plants in operation. Almost two thirds of our urban population were living in regions where seriously polluted surface waters were found.

To help municipalities overcome these unsatisfactory and unhealthy conditions, the federal government has been making loans for the construction of trunk sewage collector systems and for central treatment plants. The loans are also made for expansion of existing trunk collector sewers or plants.

I wish to thank hon. members for the great assistance I have had from them in making this information available to the municipalities with which they are so closely in touch.

I might remind hon. members that, under the National Housing Act, the loan is limited to two thirds of the cost of the project and is repayable over a period of not more than 50 years at a rate of interest close to the federal borrowing rate. To encourage municipalities to attack the problem immediately—of course, this was one of our incentives to get out of the recession—one quarter of the loan and one quarter of the interest paid or accrued will be forgiven if the project is completed on or before March 31, 1963. Where the construction program is started but not completed by March 31, 1963, one quarter of the loan and interest for warrantable construction may be forgiven.

The response by municipalities has pointed up the urgent need for the legislation. I have been very proud of the thoughtfulness and wisdom of the town councillors across Canada in their appreciation of the tremendous opportunity which this government has provided for them. Not only have requests come from all provinces in Canada, but they have come from municipalities of every size. Sixty one communities of less than 5,000 population have been granted loans and, of these, 47 have less than 2,000 population and 37 less than 1,000. In most of these smaller communities, sewage

systems are being provided where they did not exist before. Furthermore, construction of sewage systems in the smaller localities has, in many instances, encouraged the installation of public water systems to replace individual wells.

Now, federal sewage loans have also enabled many major centres to extend their trunk sewage systems and either enlarge or, where none existed, establish sewage treatment plants. Sewage disposal and treatment have as one of their objectives the prevention of damage to receiving waters. The damage that may be done includes contamination or pollution of water supplies, bathing places and fishing grounds. This all-out effort by municipalities, in conjunction with the other levels of government, will do much to free our rivers, streams, lakes and coastal waters of the pollution problem. I should like, at this point, to commend the city of Ottawa for its foresight and for the promptness with which it acted to avail itself of the opportunities under the National Housing Act to go ahead immediately with its tremendous sewage disposal plant. The mayor of Ottawa deserves a great deal of credit for her leadership in this regard.

Since the legislation received royal assent on December 2, 1960, we have already approved 106 loans to municipalities in every province in Canada. In addition, 14 other formal applications are being processed which will mean more than $44 million of the $100 million provided by statute for this purpose will have been allocated. There are also 203 preliminary inquiries, representing a loan potential of $70 million, on hand so that by early next year the entire $100 million should be committed.

The amendment the committee is being asked to consider would have the effect of increasing the statutory vote for funds for municipal sewage treatment project loans to $200 million from $100 million.

I now come to loans to universities to assist in the construction of accommodation for full-time students in the form of either new residences or the conversion of existing buildings into dormitories. This is the subject of another amendment to the National Housing Act now being recommended. To qualify under the N.H.A., as hon. members are aware, this type of accommodation must consist primarily of bedrooms and sanitary facilities, although dining halls and lounges will be considered in the over-all picture. Other facilities necessary to operate the project, such as self contained family housing units for the senior supervisor of resident students and a caretaker, may also be provided. Loan amounts are based on 90 per cent of the cost of the project, subject to a maximum of $7,000 for each student accommodated. Loans may be for a term of up to 50 years and their interest at a rate prescribed by the governor in council, as low a rate as is possible.

The provision of dormitories for universities was a problem of national concern. The increasing number of scholarships, bursaries and grants has lowered many of the economic barriers to a university education and has contributed to an unprecedented rise in enrolment. All hon. members are interested in seeing that children, if they are properly qualified, have an opportunity for university education. Let us look at these figures: 63,500 enrolled in universities in 1952, 114,000 are enrolled at the present time and the estimate for our centenary year, 1967, is 185,000. This enrolment is increasing at a tremendous rate. The national conference of Canadian universities reported in 1958 that 60 per cent of all full-time students were domiciled 15 or more miles away from the university. Resident accommodation was limited to 25 per cent of the student body. Those of you who have attended university and have been unable to gain admittance to one of the university residences can appreciate the problems students are having at the present time.

Construction of adequate dormitories on university campuses will accomplish two purposes: First, those who travel many miles each day to obtain an education will be able to move to the university grounds, with its attendant benefits; and those living in small towns who heretofore have been denied an education because of lack of accommodation will now be able to attend university.

Response by the universities to these long term, low interest loans has been most gratifying and the program is achieving unqualified success. To date, applications for loans have been received from 30 universities and colleges and an additional 23 have made preliminary inquiries. Sixteen loans in the amount of $18 million have already been approved. Approvals and applications on hand will result in loans totalling more than $35 million. These would provide accommodation for in excess of 7,800 resident students.

Now, to avoid the possibility of running out of commitment authority—you will recall that when I became minister in the summer of 1959 we were either running out or had run out of commitment authority as the hon. member for Nipissing will recall—it is recommended that this statutory vote be increased to $100 million from $50 million.

The fourth and final proposed amendment, Mr. Chairman, relates to part V of the National Housing Act. Under part V, a responsibility is imposed upon Central Mortgage and Housing Corporation to provide leadership in the search for a house of more beauty,

a house of greater utility for Canadians at a lower cost; in other words, a better home for less money. This is what we all want, a better home for less money. Sections 32 and 33 of the National Housing Act enumerate 15 items of a general nature to which the corporation is to give its attention. It is under this part of the act, for example, that provision is made for scholarships, bursaries and urban renewal studies. As minister, I have been amazed at the great interest manifested in better housing as the result of the encouragement of these scholarships and bursaries and the urban renewal studies provided by the government.

Section 35 of the National Housing Act contains a statutory vote of $5 million for these purposes. This amount has been almost fully committed. It is now recommended that the statutory vote of $5 million should be increased to $10 million. This will restore the commitment authority to the amount originally provided by the act.

That briefly is the scope of the new housing legislation we are seeking at this time and the reasons additional commitment authority is required on these four counts. May I just summarize: First, an increase of $500 million in the statutory appropriation provided by section 22 of the National Housing Act to $2 billion; second, an increase of $100 million in the statutory vote under section 36H(3) to $200 million; third, an increase of $50 million in the statutory vote under section 36G(2) to $100 million; and fourth, an increase of $5 million in the statutory vote under section 35 to $10 million.

In concluding my remarks, Mr. Chairman, may I ask the indulgence of hon. members for a few minutes more in order to review one or two other considerations which the committee may want me to touch upon at this time.

My remarks have indicated that house building has not been impeded in 1961 by any over-all shortage of mortgage funds for National Housing Act lending. It must be remembered, however, that this year 40 per cent of all National Housing Act loans have been made by Central Mortgage and Housing Corporation—and I know the hon. member for Nipissing particularly will want to know this—with funds provided by the government and that private funds for National Housing Act lending have been quite inadequate to meet the total demand for National Housing Act loans. Hon. members of the House of Commons have heard me say over and over again how anxious we are to have more and more private funds finance this great program of national building in order to relieve the government of the necessity of doing so in as great an amount as we are doing at the present time. But this year, in order to meet the commitments the government, through Central Mortgage and Housing Corporation, has made contributions up to 40 per cent of all the National Housing Act loans made this year so that Central Mortgage and Housing Corporation, in its role as residual lender will likely make loans up to $300 million.

This does not mean that the National Housing Act interest rate cannot be reduced as long as Central Mortgage and Housing Corporation is engaged in the lending business. This question about the interest rate is asked very often. No one is more interested in it than am I. On the other hand, there would be little point in lowering the National Housing Act interest rate—and I ask all hon. members to note this point—if the principal effect of such a change were to replace private funds with government funds in the National Housing Act market, particularly since the government already is committed to 40 per cent of National Housing Act lending this year.

It has always been the policy of this government to maintain the lowest possible National Housing Act interest rate that would attract a substantial flow of mortgage funds for housing. Hon. members will recall that the National Housing Act provides for a ceiling N.H.A. interest rate 2¼ per cent higher than the interest rate on long term federal government bonds. This government has been able to encourage a substantial flow of mortgage funds from the private lenders at a rate significantly lower than the maximum provided in the National Housing Act. If a new National Housing Act interest rate were prescribed today, the formula contained in the National Housing Act would permit—and I ask the hon. member for Nipissing to note this point—a maximum rate of 7¼ per cent but, notwithstanding the attractiveness of alternative investments, such as corporate bonds and provincial and municipal bonds, the government has been able to hold the National Housing Act rate at 6¾ per cent. The government will continue its efforts to maintain the National Housing Act interest rate at the lowest possible level. This matter is subject to continuous review, and the National Housing Act rate will be reduced as soon as the relative attractiveness of this rate as compared with other investment yields will permit the action to be taken, without impeding the flow of mortgage funds for housing purposes. Even with a rate of 6¾ per cent we are only able to get this year from private lenders a 60 per cent participation in National Housing Act lending.

I therefore ask hon. members not to worry about my attention to the interest rate. I

think about it every month and indeed every week. We have had our review. We have many reviews. I am always saying, "When can we reduce the interest rate?" However, until long term government bond—and my hon. friends know what I mean—yields are reduced, this cannot be done. As hon. members can appreciate, if the bonds go up in price, the interest rate gets correspondingly less. As soon as we reduce those bonds, just so soon will we be able to reduce the N.H.A. interest rate on loans for houses.

May I now say a word about assistance to lower income families. This is a matter close to my heart because, as all hon. members know, I am interested in this subject inasmuch as in my riding of Rosedale we have the first huge federal-provincial development located in Regent park. I am therefore vitally interested in lower income families. In the first place, the more generous N.H.A. terms afforded by statute in December last have a direct bearing on the amount of mortgage loan available, the amount of down payments required and the length of time over which the loan may be repaid. The easier terms are there, of course, for any prospective borrower who is eligible, but it must be obvious that the greatest advantage is to families of modest means and it was this group we had very much in mind when we sought from parliament last year authority to make these important statutory revisions.

I would point out also, that this year so far 36.3 per cent of National Housing Act borrowers have had annual incomes of $5,000 or less.

Second, I must point to the very heavy volume of lending under the limited dividend provisions of the act to assist in financing rental accommodation for families who come from the lower third income group in their community and also limited dividend projects built for elderly persons. Again, as I do every time I make a speech to these wonderful charitable and service clubs across Canada, I commend the taking of cognizance of the opportunity for service in their communities by building in their communities under their aegis, direction and control, limited dividend projects. They will not lose any money in the long run. The government will put up 90 per cent of the funds; they put up 10 per cent of them. The cost is amortized over a period of 40 years at a low interest rate. They can be of great benefit to the people in the lower income bracket and to the elderly people in their community by doing a service of this kind.

To September 8 of this year loans have been approved for nearly 3,000 units of this kind, a figure that compares with 510 units for the same period of 1960. Just think about that. It is almost six times as many and it is almost double the total for all of that year. The value of limited dividend loans approved this year to date is $22.9 million, against $3 million a year ago.

Third, since this government took office in 1957 more than 3,000 units of federal-provincial housing have been approved under section 36 of the National Housing Act to a value of $34 million. This is equivalent to one half of all federal-provincial housing approved by the previous government since the measure was introduced in 1949. Again, federal-provincial housing is intended for lower income families. Indeed, in September, 1960 the average tenant had an income of $3,288 per year.

Finally, grants in an estimated amount of $13.5 million have been made by the federal government for slum clearance purposes since 1957, a little more than double the amount made available by the previous government, and there can be no doubt that this assistance ultimately is of the greatest possible help to families of lesser means.

All these beneficial provisions of the National Housing Act, together with the many helpful services afforded by Central Mortgage and Housing Corporation to the public and to prospective home owners, suggest on the part of the government, I think hon. members will agree, a very high degree of interest in and of assistance to the lower income family. But I can assure you, Mr. Chairman, that no assistance which we can render can be great enough.

I wish to say something about the 35-year repayment period. Hon. members will recall that we extended the period, but we only do this where it is a case of necessity and where we ascertain that the person who receives such an extension is readily qualified and otherwise would not be able to obtain a loan.

I now wish to refer to the mortgage insurance fund. I expect to hear some remarks from the hon. member for Nipissing about this. It is one of his favourite subjects and I am always glad to hear from him on it.

The Acting Chairman (Mr. MacEwan): I regret to advise the minister that his time has expired.

Some hon. Members: Carry on.

The Acting Chairman (Mr. MacEwan): Does the committee give unanimous consent to the minister continuing?

Some hon. Members: Agreed.

Mr. Walker: Thank you very much, Mr. Chairman, and through you hon. members of the committee. I have almost completed my remarks. As of July 31, 1961 the assets of the mortgage insurance fund totalled $79.1

million against mortgage loans outstanding of more than $3,428 million. The assets included $793,760 in mortgages, $4,062,625 in real estate, close to $1 million in accrued interest and the balance in cash or government securities. From March, 1954, when mortgage insurance was introduced, to September 13, 1961, 835 claims were made against the fund and the value of claims paid was in excess of $7.8 million.

Thus, although our loss experience to date has not been unduly severe, he would be a very rash man indeed who would seriously counsel against maintaining, and continuing to increase, our insurance against losses of public funds that are outstanding in such large amounts.

I wish to say just a word about the secondary mortgage market. Again, I stress that we are not talking about second mortgages, but about the secondary mortgage market. As hon. members know, a second successful offering of National Housing Act insured loans was made in August. The auction resulted in a wider list of successful bidders, together with first use of the 60-day option arrangement.

As announced on August 30, total bids and requests for options in the amount of $21 million were received for the $17.5 million offering, of which not more than $15 million was to be sold. The value of accepted tenders was $9.75 million, bringing to $22.25 million aggregate sales for the June and August auctions. In addition, there were accepted requests for options in August for $3.75 million.

The average accepted tender price was 101.35, compared with 101.17 for the initial offering made in June. Bids were again received from chartered banks, life insurance and trust companies and investment dealers.

We are very much encouraged by results of the offerings for two reasons. First, their success indicates a growing interest on the part of those whom we would expect to develop a secondary market in mortgages, and we now know that a number of loans purchased in June have since been resold to Canadian pension funds, some of which had not previously invested in mortgages. On the basis of our experience to date we expect a third offering will be made during the next few months. We are criticized at times for not offering a larger amount at these auctions. After all, we want to test the market and we want to develop this secondary mortgage market in an orderly and sensible way.

Mr. Chairman, those are my remarks on this resolution. I should be very happy to hear not only advice from hon. members of the committee, but also any constructive criticism. There is no one more anxious than I, as the minister in charge of the department and responsible for reporting to parliament in connection with Central Mortgage and Housing Corporation, to find ways and means of developing our concept of having every Canadian properly housed.

Mr. Garland: Mr. Chairman, before dealing directly with the resolution I should like to take this opportunity to draw the attention of hon. members to the fact that national home week began last Saturday. I know that builders and the many others engaged in the house building industry will be putting forth extra efforts during this national home week. New models and new ideas for better living will be on display, in many cases for the first time, in an effort to reach today's home buyer, who is becoming more and more selective. The prospective buyer today is doing more shopping than ever before in his search for better value for his money.

I should like to pay tribute to those many Canadians engaged in the house building industry, to the people concerned in construction and selling, and in fact to all who are connected with this industry. I believe the great majority of the people engaged in this important industry are continually searching for ways and means of improving their particular field and in so doing are making a worthwhile contribution to the never ending job of providing better housing for Canadians.

I should like first of all to thank the minister for his very comprehensive and, if I may say so—I do not want him to misunderstand me—lengthy statement. He has covered the field very thoroughly. In fact, he has covered the actions of his government for the past four years since they took office. My remarks today, on the contrary, will be rather brief as we on this side of the chamber await the bill itself and the examination of it which will be made later.

I believe the outstanding aspect of the legislation which will follow today's resolution will be found in the timing of the legislation and the tremendous sums involved, especially in the light of the statements of the Prime Minister, that the next election will be fought on the basis of free enterprise *v.* socialism.

This legislation—at least that portion of it that increases the amount of $1,500 million to $2,000 million for direct lending—shows the degree to which this government has become involved in financing home construction. Despite their many statements that they intend to resume a residual role in this field, this legislation, necessary though it may be at this time, points up the degree to which

this government has taken over from the private sector. I intend to say more on this subject a little later on.

The other outstanding feature of the proposed legislation is the fact that it ignores completely the real problem that faces the prospective home buyer today. I refer to the high cost of housing resulting from the high interest rates which have been made necessary and which are being maintained, apparently, under this government despite their protests to the contrary. We, as members of this committee, must satisfy ourselves that the amount envisaged in the first section of this proposed legislation is justified at this time. We must ask ourselves: does this government really intend to lend this money in the near future or are they simply seeking to provide election insurance? I was hoping the minister would have been more specific—that he would have taken this house and the country into his confidence to a greater extent concerning the government's intentions for the next year or more. Perhaps there will be an opportunity for the minister to do that later on.

The legislation envisaged in this resolution, as the hon. gentleman has pointed out, falls into four distinct categories. While we are in basic agreement with the principle of the resolution just as we were in December when somewhat similar legislation was before us, and while we do not intend to offer any obstacle to its passage, we do believe that the first item—the increase from $1.5 billion to $2 billion—is worthy of some examination. However, before dealing with the first section may I say we warmly support sections 2, 3 and 4. That more research and community planning is required there will be no argument in this house. With respect to the third and fourth items dealing with loans for university housing projects and municipal sewage treatment projects, I may say that we are in full accord, as we were last December. However, as we said then, and especially in the case of the sewage treatment section, we did not feel the government's proposals went far enough. We believe there is a great need by our hard pressed municipalities for a much larger degree of assistance such as could be provided by a municipal loan fund along the lines we have been recommending since 1958.

We hope the increase in the ceiling from $1.5 billion to $2 billion will assure that in the future the government will not make the same mistake as it did between October 1959 and April 1960—the mistake of not making needed funds available, with the consequent disastrous impact on housing staffs during the first half of 1960 and the resulting substantial loss of employment opportunities at a time when they were needed most. The low level of starts last year—108,858, the lowest since 1953—provides the statistical basis for government claims of an increase in 1961 as compared with last year's starts. I would also point out that the low carry-over of houses under construction has resulted in completions between January and July, 1961, being 18.4 per cent less than in the same period of 1960. In these circumstances over-all activity in residential construction has shown, really, only marginal improvement. We are perhaps justified in pointing out in passing that in respect to the legislation approved only last December the fact that the government is now asking for further increases raises some doubt as to the ability of this administration to plan ahead.

The first increase—the increase from $1.5 billion to $2 billion—is interesting in view of the government's oft-professed role as the only champions of free enterprise. It is of interest to note that during the last three full years of Liberal administration—1954, 1955 and 1956—approximately 380,000 homes were started as opposed to the 415,000 during the three full years of Tory administration, 1958, 1959 and 1960. The Liberal administration of those days found it necessary to lend only $65 million, while direct loans from 1958 to 1960 amounted to $924 million. In other words, in order to build less than 10 per cent more houses this government had to increase its lending by approximately 1,400 per cent; to start 35,000 more houses in three full years they had to supply $860 million more from the public sector. This is some example of free enterprise.

I should like to say just a few words with respect to the outlook of the future. Despite the fact that in July housing starts were below those of July last year—8,682 as against 8,966—and that on a seasonally adjusted basis starts have been tending downward since March, I believe there is every indication that during the next 12 months housing starts could recover substantially from last year's low level. Demand for housing, in the sense that there are still many Canadians who are ill housed, continues to be very great. However, there must always be the fear that as general economic conditions improve, as the recovery from recession broadens and, in particular, if a mild expansion should take place during the next 12 months that the government may once again lose interest in the housing industry or, conversely, in an election year, overstimulate that industry. Wise policy and planning is required. Often in the past over-emphasis of the anti-cyclical aspect of house building or over-stimulation of the industry has resulted in feast or famine situations, with an obvious upward pressure on the cost of housing. On previous occasions we have

dealt in some detail with the increase in costs and the fact that in consequence builders are unable to carry out any long term planning. It is not my intention to review those points today.

I should like, now, to say a few words about demand. Interest rates are one of the major factors because, as hon. members know, home owners are the largest users of long term credit. High interest rates have added and are adding substantially to the resistance of prospective buyers. Yet, as has been shown during the past few years, governments do have a tremendous influence on interest rates through both fiscal and monetary policies. We all recognize the control that any federal government has over interest rates by its power to adjust National Housing Act interest rates. It is my view, expressed at every opportunity and perhaps, in the minds of some, too often, that the main deterrent to the development of a more vigorous housing industry during these past many months have been this government's stubborn insistence on maintaining high interest rates. The rate of 6¾ per cent represents the highest ever during the life of the National Housing Act. I should like to cite one example, that of chartered banks. They have played a very important role during most of the time since they were introduced into the housing business in the time of the previous administration. It should be recalled that as recently as 1958 the chartered banks lent over $300 million. Well, this government maintained a high interest rate of 6¾ per cent, keeping the banks out of lending for housing during these past two years. I can think of few investments more attractive to the bank than these gilt-edged government backed mortgages at 6 per cent, yet this government keeps the banks out of approved lending by maintaining an N.H.A. rate of 6¾ per cent.

Finally, I should like to make a brief comment on the secondary mortgage market, which has been recommended from this side of the house for the past three years. We believe the government should be giving some consideration to the establishment of a federal agency which would purchase N.H.A. guaranteed mortgages and use them as collateral against the issuance of certificates in small denominations which would be made available to small investors.

During the last decade innumerable innovations have been perfected by those competing for the nation's savings. One has but to recall the gimmicks incorporated in the conversion loan to show to what lengths efforts have gone to create new instruments to attract funds. Such developments have not taken place in the housing field.

From the point of view of the home owner a mortgage is a very convenient credit instrument but from that of the investor it is cumbersome. Anything that can be done to improve its liquidity, to knock it down into smaller units will undoubtedly attract public funds to housing and allow the government to revert to a more residual role in the field of mortgage loans.

It is true that the government, and I might add after some years of urging from this side, did take its first timorous step in the direction of assisting in the establishment of a secondary mortgage market, but it was timorous indeed as witness these two small token offerings, one in June and the second when the house was recessed, in relation to the over-all picture. An effective secondary mortgage market of the kind we envisage could have channelled hundreds of millions of dollars into housing and could have reduced the present dependence on government funds for new lending as outlined in the resolution before us.

Naturally we wish to analyse the legislation when it is available to us in bill form. However, as I said at the beginning of my remarks we are in basic agreement with the principle of the resolution. We stand ready, of course, to support any legislation that will have the effect of providing a better housing for our people especially those in the medium and low income groups.

Mr. Martin (Timmins): Mr. Chairman, on March 11, 1960 the minister first had occasion in his present capacity to make his first presentation to the house. On that occasion I recall that many hon. members on the government side of the chamber rose in succession and complemented the minister on the job he had done. At that time I stated, as will be found at page 2002 of *Hansard* of that date that I wished to defer my compliments for a year in order to see what the minister might accomplish. Whether or not that had anything to do with it, I feel better able to compliment the minister today than I felt at that time. As I recall it the figures at that time had indicated a drop of 75 per cent from the peak achieved under the minister's predecessor in that department. While no comparison was made with the previous high achieved under the former minister I was pleased that the minister today was able to report a marked increase in the 18 months that have elapsed since he last presented figures to us.

Perhaps one reason for the improvement is this. The minister has always been known as a firm believer in the good old free enterprise system. He was always willing to depend on that system to solve problems without, to

use the popular phrase, too much interference from the government. Once the minister rid himself of that idea and undertook constructive action, despite its being considered as government interference in some quarters, he was able to accomplish significant results and present a brighter picture to us today. If the minister in the next 18 months continues to show an improvement such as he has shown in the last 18 months I shall possibly be able to compliment him completely without reservations, although I usually attach slight reservations to my compliments.

The minister may have overwhelmed us today in presenting his case in that he tended to drown us in a sea of statistics. At this stage after listening to the minister it is difficult to have a clear, comprehensive picture of the situation. He took the best possible view of the situation, but he looked at it from the top, the bottom, lengthwise, cornerwise and from all points of the compass. The minister is well known as an optimist and perhaps he has given us an optimistic view of an optimistic situation. One is led to wonder, if the situation is as good as it has been painted, why we should be faced with more amendments in this field. Surely, if the situation is as good as the minister suggests we would have reached the ultimate and not require additional amendments.

Despite references to surpluses in the housing field, we are still faced with a desperate shortage of housing for the people who really need it, those in the medium and lower income groups. I know the minister must realize that slums continue to grow in our major cities. Aggressive action will be required to hold our own in this field, let alone to enable us to solve the problem.

I trust the minister has learned that beyond a shadow of doubt free enterprise cannot solve the problems of his department despite the great pronouncement made by the Prime Minister about private enterprise versus socialism. Private enterprise has had 94 years in which to come to grips with our problems and increasingly over the years its inability to cope has been demonstrated. I hope the minister will continue to apply good socialist principles and as a result will be in a position to continue to present an improving picture in the department for which he is responsible.

It is not my intention to prolong the debate. We will be able to deal with the measure in greater detail when we have the amendments before us. In the meantime I urge the minister to cast his eye among his colleagues and suggest that in their respective fields they should begin to apply some of the fine socialist principles he has been so successful in applying. We await the legislation with interest and in the interim wish the minister well in his department.

Mr. McGee: Mr. Chairman, we have heard a most encouraging and comprehensive report this afternoon from the Minister of Public Works for which we are all grateful. We heard some most unusual comments from the opposition. The hon. member for Nipissing came down squarely on both sides of the argument as is perhaps typical of the attitude of hon. members of the Liberal party in these matters. To my great astonishment the hon. member for Timmins handed across a bouquet and, lo and behold, it did not contain the brick which is customarily contained in complimentary tributes which emanate from hon. gentlemen in that corner of the chamber.

Another interesting surprise derives from the fact that the hon. member for Timmins did not resort to use of the stock phrase that invariably graces the speeches of hon. members of that group: "This is a good idea but it does not go far enough and in any event we thought of it 20 years ago." We heard that tiresome phrase from that corner of the chamber this morning when the spokesman of that group was discussing the Prime Minister's resolution concerning the setting up of a Canadian centennial organization.

As I said, the hon. member for Nipissing was on both sides of the question at the same time. He cast his suspicious eye at the timing and the tremendous amount of money involved in the proposed resolution before us. He argued on the one hand that the previous government had encouraged a high level of participation on the part of the private sector of the economy and on the other hand argued that this particular legislation is very necessary.

He criticized the government for the lack of planning and the fact that they were short of funds at one particular time in the past few years. On the other hand, he criticized the government for having the foresight and the intelligence to plan ahead against the day when those funds may not be available in the future. Again he suggested that election insurance rather than intelligent planning was clearly involved in this legislation.

Mr. Garland: Will the hon. member tell us how many times his government has run out of funds since it assumed office?

Mr. McGee: I would not be prepared to do that offhand. I have not the figures nor the documents to reply to that question specifically. I would simply state that if this is part of his criticism, how does he square it with the other remarks criticizing the government for asking at this time for what he

describes as a tremendous amount of money? In the first place I suggest that the hon. member cannot have it both ways. He has to be on one side of this free enterprise versus socialism argument or the other; he cannot be on both sides at the same time.

However, when he concluded his remarks I was happy to hear him say that he was clearly in favour of and would support better housing for lower income groups. Perhaps that was the most impressive part of the minister's statement, along with his description of the statistics which he gave, indicating that the lower income groups have been helped in an unprecedented way. That is something that we can all be proud of.

The figure that particularly impressed me was the figure of $13.5 million expended in the slum clearance programs. In the few years since I have been in the House of Commons and working closely with the present Minister of Public Works and his predecessor, I have seen various projects go through the planning stage and the building stage and increasing numbers of them being occupied. It was my privilege and pleasure recently in my own constituency to attend the opening of a senior citizens dwelling unit, one of the finest in the country, if not on the continent. The minister's attendance there and the fact that he again underlined the program and the increased activity in this sphere served to emphasize a most auspicious event.

I do not know, Mr. Chairman, whether it is putting you on the spot, by reason of your recent appointment as deputy chairman of this committee, but I am sure your interest will continue in this field regardless of that impediment. Some mention should be made of the contribution in this field of the person whom I shall describe as the hon. member from Winnipeg South.

The increase from $5 million to $10 million for housing research and community planning is one which is of particular interest and significance. This government's participation in research and intelligent planning in this field, exemplified by the grant which the government made to the royal architectural institute of Canada to survey and report on the urban environment in Canada was one of its more significant acts. That report has been studied since its presentation last year. Within the institute a committee has been established to explore ways and means of implementing the recommendations of that report. I am happy to see that according to the minister's statement today the amount of bursaries and scholarships, both from that organization and Central Mortgage and Housing Corporation has been increased.

It is very easy to deplore the mistakes in planning made in various municipalities during the hectic post-war housing period, but I think that one should pay tribute to the fact that this government has instigated an aggressive program to make sure that the mistakes of the past do not occur again. There is the fact that in the immediate post-war years and before any really intelligent work was done what I like to describe as the cookie cutter design was established. As I say, before any intelligent work was done on that design it was duplicated a hundred thousand times across the country. Part of the survey which I mentioned a moment ago was an attempt to determine the degree of dissatisfaction that exists in this country with housing design.

There is one particular scholarship and one particular bursary, either from C.M.H.C. or R.A.I.C., that I should like to see established, with a substantial award attached to it. It would have to do with a successful design of a three-bedroom unit which could be converted reasonably cheaply to a four-bedroom house at some future time. Some consideration would have to be given to the necessity arising for that fourth bedroom. This has become something of a fetish with me.

During election time I have had occasion to visit many thousands of suburban dwellings, and in almost every case the design is such that if a fourth living area is desired on the ground floor it requires in effect turning an existing bedroom into a hallway to reach it. This is one of the fundamental challenges to the architectural profession and leads, of course, to planning the lot, the design and other factors. I think this would be high on the list and I put forward the suggestion that scholarships and bursaries be focused on trying to find a solution to that problem.

There are other obvious requirements, particularly concerning senior citizen housing which I mentioned before. In my view the ideal would be the erection of smaller units sprinkled among the suburban population rather than the large and in most cases more efficient units in institutions which have a tendency sometimes to identify the area and preclude the kind of social intercourse that is desired between the senior citizen and the younger people with younger families in those growing communities. Co-operative effort is clearly required here among Central Mortgage and Housing Corporation and provincial and municipal planning boards. It is necessary that they be consulted on the necessity and requirement of this type of establishment.

The increase in the aid to the universities is another important matter. I was particularly impressed with the minister's description and the emphasis which had not occurred to me in the earlier discussions of this matter, that this indirectly is going to have a profound effect on making a university education available to more young men and women of modest means.

The question of the extension of the loans for sewer projects in Canada is so patently obvious and has been for so many years that it requires almost no comment at all except to register my own reaction to the response which has been forthcoming. It was certainly beyond my expectation at the time of the original legislation. I am sure that opinion was shared by many hon. members.

I was interested also, Mr. Chairman, recently to read remarks attributed to Mr. David Mansur and Mr. Fred Gardiner chairman of metro Toronto. In both instances the statements which I saw indicated that a greater degree of success is being encountered in clearing away some of the problems of red tape and delay in approving at various stages public housing projects in that city. These problems have been created in part, I suppose, as a result of the nature of the structure of metro. The most encouraging thing I have heard in recent times, however, is the fact that these difficulties are being surmounted and we can look forward to faster development of the many needed projects which are in the planning stage in metropolitan Toronto.

In conclusion, Mr. Chairman, I should like to go back to the sort of criticism we heard from both the hon. member for Timmins and the hon. member for Nipissing concerning the government's actions in the public and private sector, free enterprise, socialism and so on. It seems to me that this a quibbling sort of argument. Clearly, this government has demonstrated it stands ready to face its responsibilities in the housing field. The most encouraging factor is that the government has indicated again, by its actions, it is not prepared to stand idly by and watch slums fester and spread, as well as the other unfortunate aspects of housing, private and public, that have plagued this country for many years. This government has indicated by its actions that it is willing to step in and do the job that needs to be done.

Mr. Carter: I should like to take a minute to make an observation on the housing program with particular reference to the low rental housing. I understand that low rental housing is made available to people within a certain range of income and that in computing the family income the family allowance payments are included. This was brought to my attention this summer when a number of veterans exceeded the income bracket for two reasons. In one case the pension plus the earnings had put him over the ceiling and, in the other case, the ceiling had been exceeded by reason of the inclusion of the family allowance payment.

It seems to me that there is a principle here at which we would do well to take another look. It does not seem right to me that family allowance payments should be counted as income for the purposes of this act. Family allowance payments, as I understand them, are paid to the parents to insure the well being of the children; they are not meant to be used for housing or for general expenditures and should not be counted as part of the general family income. There is another side to this question because such action penalizes the large family. In other words, if there are two or three children in the family, the family can probably stay within the prescribed income bracket, but if the family consists of a large number of children then receipt of family allowance payments puts that family beyond the ceiling and they have to look for another home. Making eligibility dependent upon the number of children is a principle, I think, that deserves to be reconsidered and I would ask the minister to reconsider this policy of including family allowance payments in computing income under the National Housing Act.

Mr. Pugh: My only reason for rising this afternoon is the question asked by the hon. member for Nipissing of the hon. member for York-Scarborough. The question was, how many times has this government run out of national housing funds. In my opinion, that is a rather laughable question, in view of the whole history of National Housing Act operations. The hon. member for Nipissing has a very good background and a very good knowledge of housing. I am rather surprised that he should ask this question. Certainly, last year this government ran out of funds but only after having put forward $300 million for housing last year. Then, the government brought forward further funds and made it $500 million.

All I am asking hon. members to do is to compare this amount with the rather puny start made by the Liberal government in 1954 under this act. They made available a total of $150 million. As I say, last year we put forward $300 million, then added $500 million and now we are putting forward another $500 million. In my opinion, the laughable part of the whole situation is the fact that although the Liberals put forward $150 million in 1954, by 1957 only $100 million of these funds had been put into housing. The

ridiculous part of this whole argument is that in 1957 the building of homes in Canada was at a standstill. What was the reason for this situation? The Liberal government brought in a true tight money policy. In other words, they upped the reserve from 8 per cent to 15 per cent and they stopped loans under the National Housing Act. This is the truth.

Look at your own constituency. In my constituency there were only one or two houses being built under the National Housing Act at that time. Ever since this party came into power we have been building more and more houses throughout the constituency. Under the present Conservative government policy, money has been made available, and that is all there is to it. Let us look at those figures again. Under the Liberals, $150 million were made available and only $100 million were allocated. Compare those figures with the figures for the present day. I believe about $2 billion—I may be wrong and it may be more—have been made available for housing.

The implication in my friend's question about running out is that this government could not look far enough ahead. We have looked ahead and we have provided funds at a time when they have been required for housing in Canada. We started the ball rolling in 1957 when we made money available, yet my friend would quibble with that. He says, why not leave it to private enterprise? Private enterprise was not willing to put up the money at the interest rate at which money was available under the National Housing Act. He said, where else could we have obtained the funds—

Mr. Garland: I wonder if I might rise on a point of privilege, Mr. Chairman? I know the hon. member does not want to attribute to me something I did not say. I never said at any time, leave it to the private sector.

Mr. Pugh: I am only taking the inference which is so obvious from the words that have been spoken by my hon. friend so many times. It is not a question of leaving it to private interests. He says, "Why not let private interests do it?" However, in actual fact, as we all know, private interests were not willing to put up money at this rate. Even so, suppose they were willing to put it up at 6 per cent, 5½ per cent, 5 per cent, or even 6½ per cent, would not that money then have been used rather than recourse being had to C.M.H.C.? The answer to that question is that of course it would. But money from private interests was not available and now it is available.

One other remark made by my friend the hon. member for Nipissing was to the effect that we had no secondary mortgage funds available and that the government was not willing to step in. He says that this is a belated but good step. Of course it is. However, I might point out to my hon. friend that this is a Conservative government step. At the time after 1954 when things became a little bit rough in national housing, why in the world did not he and his government do what we have been doing, namely make funds available.

I do not want to prolong my speech by going into the many benefits that were provided since last year in the drawing up and the broadening of the act, making it available for so many other things such as sewerage. I wish to reiterate one thing which the hon. member for York-Scarborough mentioned, namely that under this act we are making funds available for university students. We are broadening the whole field there. Under this building program more university students will be able to attend university, as has been pointed out, at a lower rate. That is all to the good.

May I close with one small point. In Okanagan and elsewhere in my riding we have had a great many requests for loans to be made for the boarding house type of senior citizens housing. To my mind this is one form of loan which the C.M.H.C. could go into readily. I have in mind the fact that in the town of Oliver and in the municipality of Summerland two very successful projects were started and that with respect to them the federal government had not put up any funds, simply because they are of the boarding house type of senior citizens housing. I have had today from the city of Kelowna a request that the matter be taken up again—I would ask the minister, perhaps when the bill is before the house, to comment on this matter—and asking that the act be opened up so that funds will be available for this type of housing. As I said, in my own riding I have seen well built, well run and certainly satisfactory houses of the boarding house type. I suggest to the minister that this type is perhaps better in Canada in many instances than is the single dwelling type or double dwelling type for which funds are available. I ask myself why funds are not available for senior citizens housing of the boarding house type. The answer, of course, is perfectly obvious. When funds are being put up on mortgage, those who put up the funds wish to be sure that in the event payments of principal and interest are not kept up, the housing will be available for another purpose or, to put it more bluntly, will be readily saleable. In other words you do not want to take over a dud. But in the case of senior citizens housing which, to all intents and purposes, is backed by local and provincial governments—where it is supported

by the municipality and the funds are put up by these other two bodies—I would suggest that the federal government could go along with this type of housing and that a great deal of benefit could flow therefrom.

Mr. Matheson: As the most junior member of the opposition may I join in the cordial felicitations to the Prime Minister on this happy occasion of his birthday. I sincerely wish him a long and happy life crowded with pleasure and leisure.

I will not congratulate the minister on any particular phase of his program because such congratulations would tend to be repetitive of what he himself has said so enthusiastically. The hon. member for York-Scarborough has repeated almost each word of praise. However, I would say this to the minister. Even in the short time I have been in the house, I have become cognizant of the fact that he has been willing to redress little matters of grievance. I should therefore like to mention briefly, if I may, with respect it this legislation some matters to which I think it would be helpful for him to address himself.

Both the minister and the hon. member for York-Scarborough, as I understand it, live in Toronto. The type of riding I represent is very different from those which they represent. This summer I took some time to fly over my riding of Leeds and study it from the air. I could not fail to be impressed by the comparative congestion of the town of Brockville and the town of Gananoque with the relatively uncrowded villages. A village like Elgin, for example, which has an extremely fine school, could grow and develop with some sort of assistance. Lansdowne and Athens are two other places that could easily develop with adequate assistance. The town of Smiths Falls which spills into the riding of Leeds to the south must grow in that direction. These places are in my opinion, of the type that could be given some interested scrutiny by the minister.

A riding such as Leeds, which is half urban and half rural, compels certain comparisons. I have been made aware of the fact that our farm population has been declining for approximately 20 years. Not only is that the fact, but these very attractive villages which were to a certain extent the centre of culture some years ago and which were happy places in which to live, have declined in importance rather than grown. I would ask the minister to consider the extent to which this legislation could be made applicable to some of these areas on the fringe of our towns or even in the smaller areas.

My constituents have made me cognizant of the fact that federal housing assistance appears to be available to the town dweller but not to the country dweller and of the fact that in this regard there is marked disparity. It would be improper within the confines of this debate to spill over into the responsibilities, for example, of the Minister of Agriculture under the Farm Credit Act. However, I think it would be fair to say this. So much red tape is attendant upon getting farm loans that we must perhaps look to our Minister of Public Works for as liberal, broad and generous interpretation as is possible of the provisions of this act.

By people interested in housing and in construction, particularly in the Brockville area, it has been brought to my attention that Central Mortgage and Housing Corporation was at first brought into being to promote home building in areas that were unserviced and therefore not acceptable to insurance companies. It was for the purpose of issuing loans to individuals who perhaps could not qualify for insurance company loans. If I am in error in understanding the origins of this act, I am sure I will be corrected. However, in 1961 in the Kingston area we have seen a sharp change with respect to this approach. Now we find rulings which provide that no lot, unless it has services or is in a C.M.H.C. approved subdivision, is acceptable for a C.M.H.C. loan. This, to the thinking of some people very much interested in construction today, would appear to place C.M.H.C. in direct competition with the insurance companies, leaving the former field in which we understand C.M.H.C. was originally particularly interested with no one to look after it.

It seems almost as though in the C.M.H.C. Kingston area a circle has been drawn around a certain point in each town and at various distances out from the limits anyone beyond the perimeter is able to build on his land—for example, with septic systems, septic tanks and tank installations—but beyond that point this is not possible. I of course understand how the minister, whose program involves so many millions of dollars, is urgently concerned about orderly urban development. I can quite appreciate that lack of discipline and lack of orderly growth in this regard could be harmful and damaging. On the other hand I suggest to the minister that there are, particularly in a riding such as mine—which is on the river and extends to the north—many areas which have not been developed at all.

There are places such as Lyndhurst, Elgin, Morton, Delta, and so on, where the persons who live in those villages are for the most part employed in the towns. Many people work in Smiths Falls, Kingston or Brockville and there is not much difference between our countryfolk and our townsfolk. These

are not farmers; they are people enjoying a sort of suburban life. Before the minister simply rejects this suggestion I ask him to consider the possibility of liberalizing to some extent the conditions and requirements of these loans. Every area of ground is different, as we know. There is the problem of sewerage. They are working toward improvement in Gananoque at the present time. I must speak appreciatively of this aspect of assistance to our urban areas.

The Minister of Finance has visited our area. On one occasion in Athens he spoke on behalf of the late Hayden Stanton regarding the requirement of municipalities for greater assistance. This extremely well attended meeting was held in 1957 and his promise of municipal assistance was well received by people who knew something about the burden of municipal financing in our county. I think our municipalities are in a somewhat worse condition today than they were when the Minister of Finance made those suggestions in respect of the assistance to be provided.

The matter of assistance with respect to sewage disposal is of vital importance to an area such as Gananoque. We have there a community of 5,000 people who at the present moment are embarking upon a sewerage plan which will probably cost them in the order of $605,000. Without assistance it will be quite impossible for them to carry out this project. It will mean an expense of $121 for every man, woman and child in that small town, which has suffered its share of unemployment in the past two years. I think federal assistance for sewerage development is vitally important.

I also put forward this other point which I hope the minister will appreciate. There are areas beyond and outside these congested areas of, say 5,000—areas with populations of 1,000 or 1,500—where it is quite possible that independent septic systems with sufficient acreage could be installed which would meet the support and approval of the minister with respect to development.

I know many people have bought lots hoping to build under N.H.A. plans. One may now find that his lot is one that is circumscribed by the mystical line that has been drawn by the representative in Kingston, and that he will be unable to receive the assistance for which he applies.

In closing, Mr. Chairman, I feel it would only be fair to make one comment with respect to the remarks of the last speaker, the hon. member for Okanagan Boundary. I am sure he would not ask this committee to believe, after the recent careful scrutiny that was made of the Bank of Canada, and particularly the annual reports thereof for the years 1956 and 1957 that the liquid reserve ratio was raised from 8 per cent to 15 per cent by the former administration. I know this matter is irrelevant to the subject we are discussing, but I earnestly ask that the record be put right in this respect. There was no such policy on the part of the previous government, nor indeed was there at any time any enforced direction from the Bank of Canada.

(Translation):

Mr. Parizeau: Mr. Chairman, first of all I should like to commend this government and the Minister of Public Works (Mr. Walker) for the resolution he just now introduced in the house. I was pleased to hear his explanations and, when the official critic of the opposition rose, I noticed that he was not as fiery and vigorous as in the past. He mentioned the fact that the further $500 million we wanted to put at the disposal of the Canadian people were added in view of an election. At that rate, Mr. Chairman, we have been on the eve of an election since 1957, because at that time, we set up a consolidated fund of about $250 million, which was later raised to $1,200,000,000; and today the minister asks us to increase it to $2 billion to promote housing projects in this country.

It is true that we rarely assess ourselves accurately, but, in the past, the former administration introduced some favourable legislation on the eve of an election, and you may be assured, Mr. Chairman, that this is not the case as far as we are concerned and that we shall continue this good policy to help the Canadian people and more particularly promote the building of homes.

Mr. Chairman, I am not an expert in the building field, but mere common sense makes me say that legislation introduced by the Conservative government for the welfare of the Canadian people certainly did have beneficial results in my riding. That is why I now want to compare a few figures, more particularly since 1958, to those of 1954-57. I could tell you for instance, Mr. Chairman, that from January to September of this year, 95 housing units went up at Alma, which has a population of 14,000, this means over $1,400,000 for housing, thanks to the beneficial policy of this government. This has, of course, some impact on the employment situation.

Last year, I heard some politicians claim that they would settle the unemployment

problem by all sorts of means. But we, of the Conservative government, have each year taken steps to help the population and create increased employment opportunities.

Therefore, from 1957 to 1961, in the town of Alma alone, 346 dwelling units have been built through funds put at the disposal of the workers of my area. Considering the fact that the municipalities of Naudville and Isle Maligne have built more than 168 houses, I notice that for a population of about 22,000, more than 500 houses have been built with funds put at the disposal of the Canadian people.

And yet, from 1954 to 1957, merely 50 houses had been built under N.H.A. in my area.

Mr. Chairman, housing in my area has been increasing at a remarkable rate and I am proud to say that in Alma, 58 per cent of the citizens own their own homes today. I am of the opinion that this is an efficient means of fighting socialism, because when a man owns a house, he wants to protect what he has and is not likely to be taken in by all kinds of promises that he will be given this and that if he votes for such and such a party.

However, I bring to the minister's attention the fact that we need, in lake St. John, a branch of the Central Mortgage and Housing Corporation, or, if it is impossible to obtain a branch, we should at least get an inspector for the period from May to October, because, as I said a moment ago, housing construction increases each year in the municipalities of Naudville, Isle Maligne, Alma and all around lake St. John. The absence of an inspector delays construction considerably, and the contractors are not always very happy about it.

I therefore, call the minister's attention to the fact that it is necessary to name an inspector or establish a subsidiary of the corporation at lake St. John for the period from May to October, so as to give satisfaction to our contractors and the new owners.

Mr. Chairman, I heartily support this resolution which seeks to increase the maximum set apart for direct loans by Central Mortgage and Housing Corporation.

I also support the additional funds for housing research and community planning.

Each one of us wishes to improve his lot, and I am satisfied that with these monies, plans will be worked out for prettier and more comfortable houses in which our Canadian people will be happy to live, especially under a good government which promotes private enterprise and housing construction, thus creating employment.

[Mr. Parizeau.]

As for the additional $100 million in loans for municipal sewage treatment projects, I am satisfied that the Department of Public Works will soon receive several requests from my area, and that this additional sum of a hundred million dollars will be very much appreciated.

(Text):

Mr. Speakman: I think the fact that the minister has brought in this resolution to amend the National Housing Act so as to make more funds available is in itself an indication that a need still exists. Certainly, no member of this committee would quarrel with the fact that, within a period of less than a year since last December when this legislation was previously amended so as to provide for university housing projects, it should be necessary to double the amount of money available. This only emphasizes the great need which existed in that area. When we find that the legislation brought in last December providing for assistance to municipalities in respect to sewerage projects has now to be amended so as to double the amount available, I think that sufficiently answers the question whether or not there was a need in that direction.

I wish to compliment the Department of Public Works and its minister on the fact that they have so greatly enlarged the degree of assistance given to communities whose population is less than 5,000. In my own community this assistance has led to its virtually doubling in size. Leduc, which is outside the international airport, has built this year nearly 100 homes, which represent about 25 per cent of its previous size. My own city of Wetaskiwin has had the largest percentage increase in building of any city in Alberta—an increase of 186 per cent. This, of course, is due in part to the fact that our population has increased as a result of a new Carnation milk plant coming into the city and also because of the fact that we shall be an alternate headquarters for the military establishment in Edmonton, as the Minister of National Defence announced the other day. Both in Ponoka and Rimbey there have been substantial increases in housing accommodation, and all this has happened just in the last couple of years since the act was broadened to include the smaller centres.

One thing I would urge on the minister and his department: I suggest they should seriously consider reserving a greater portion of these funds which are now being made available for the provision of smaller homes at lower cost. This would provide the lower income groups with more opportunities of buying homes than they have at the present

time. These people, too, need houses but they cannot afford to buy the larger houses which now cost in the neighbourhood of $15,000. The family groups which can only afford the smaller houses need them very much, and I commend action on these lines to the minister and to the national housing authorities.

Resolution reported and concurred in.

Mr. Walker thereupon moved for leave to introduce Bill No. C-128, to amend the National Housing Act, 1954.

Motion agreed to and bill read the first time.

NATURAL RESOURCES

LEGISLATION RESPECTING ADMINISTRATION OF WESTERN SCHOOL LANDS

Hon. D. J. Walker (for the Acting 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 confirm certain agreements entered into between the government of Canada and the governments of the provinces of Manitoba, Alberta, and Saskatchewan, dated 13th July, 1961, 13th July, 1961, and 14th July, 1961, respectively, respecting the administration and control of natural resources in those provinces in order to vest those provinces with full power to administer and dispose of the school lands and the school land funds referred to in the said agreements.

Motion agreed to and the house went into committee, Mr. Chown in the chair.

Mr. Richard A. Bell (Parliamentary Secretary to the Minister of Finance): The purpose of the bill to be founded upon this resolution is to secure parliamentary approval of agreements which have been entered into between the government of Canada and the governments of the provinces of Manitoba, Saskatchewan and Alberta. These agreements were laid on the table of the house on the 15th of this month by the Minister without Portfolio (Mr. Halpenny) and they appear as schedules to the bill. If approved by parliament and by the legislatures of the respective provinces, these agreements will have the effect of terminating the legislative control of the parliament of Canada over the school lands and school lands funds of the three prairie provinces and placing the administration and disposal of those lands and funds within the sole competence of the respective legislatures of those provinces.

The committee may wish to have recalled some of the historical background of the school lands and school lands funds. Under the Dominion Lands Act of 1872, the parliament of Canada set aside two sections of land

in each township in Manitoba and the then Northwest Territories as an endowment for education and in the consolidated Dominion Lands Act of 1879 set forth the manner in which this endowment was to be administered by the department of the interior. All sales were to be made by public auction after due advertisement, and at an upset price based upon the fair value of other unoccupied lands in the township. The terms of sale, which have subsequently been changed from time to time, were fixed in 1879 at one fifth in cash and the remainder in nine annual instalments with interest at 6 per cent. The principal arising from the sales was to be invested in dominion securities and the interest arising therefrom as well as the annual revenue from leases, hay permits, etc., on school lands were, after deducting the cost of management of the lands, to be paid annually to the governments of the province or territory within which such lands were situated. The moneys so paid were to be used by the province or territory to support public schools in such manner as the province or territory deemed expedient. In conformity with the above requirements, the government of Canada from 1883, the date of the first sale of school lands, until 1930, when the school lands and school lands funds were transferred to the jurisdiction of the provinces in the natural resources settlement of that year, administered the school lands and school lands funds.

In the agreements which constituted the 1930 natural resources settlement, the three provinces undertook to administer the school lands and the school lands fund they acquired in the settlement, according to the provisions of sections 37 to 40 of the Dominion Lands Act, being chapter 113 of the Revised Statutes of Canada, 1927. This provision of the natural resources agreements meant that while the provinces had assumed the administration of their school lands and associated funds, the principles on which those lands and funds were to be administered were not to change. The provinces were required to invest the principal from the sale of school lands in a school lands fund and invest the moneys of the fund in securities of Canada.

There have over the years been various representations from one or more of the prairie provinces to have the provisions of the natural resources transfer agreements of 1930 dealing with school lands and the school lands funds amended. As the result of such representations the natural resources transfer agreement with Saskatchewan was amended

Western School Lands Administration

in 1948 and in 1951 the transfer agreements with each of the three provinces was amended. The 1948 amendment allowed Saskatchewan to sell school lands to veterans under provisions of the Veterans' Land Act without conforming to the requirement that school lands must only be sold at public auction. The 1951 amendment gave the provinces more latitude as to the securities in which the school lands funds might be invested. The definition of acceptable securities was broadened to include, in addition to securities of Canada, securities of any province, or securities of a municipal corporation or school districts within the province together with securities guaranteed by Canada or a province.

There have been since that time various representations from the prairie provinces that all federal legislative control over their school lands and school lands funds should be removed and the legislatures of the provinces given sole jurisdiction as to the manner of administration or disposal of the lands and the funds. It has been argued that the revenues provided from the school lands are now small in relation to total expenditures on education so that it can scarcely be contended that the maintenance of the funds assures adequate revenues for education.

I have in my hand a brief table relating to school lands funds setting forth the size of funds, expressed in thousands of dollars, the unsold lands, expressed in millions of acres, and the revenues from school lands and school lands funds expressed in thousands of dollars. I seek the unanimous consent of the committee to have this inserted in *Hansard* at this point.

The Deputy Chairman: Has the parliamentary secretary leave of the committee to have the table printed at this point in *Hansard*?

Some hon. Members: Agreed.

[Editors note: The table above referred to is as follows:]

SCHOOL LANDS FUNDS

Size of Funds
(in thousands of dollars)

	Manitoba	Saskatchewan	Alberta
1930-31	$5,920	$17,809	$ 9,565
1945-46	6,146	23,696	11,836
1959-60	7,412	35,743	16,937

Unsold Lands
(in millions of acres)

	Manitoba	Saskatchewan	Alberta
1930-31	7.6	5.9	6.6
1959-60	7.4	2.3	6.2

Revenues from School Lands and School Lands Funds
(in thousands of dollars)

	Manitoba	Saskatchewan	Alberta
1945-46	$293	$1,369	$ 740
1950-60	$600 (est.)	$2,214	$5,660[1]

[1] Includes

Interest on investments		$ 366,468.10
Fees and rentals	$2,126,506.60	
Royalties	1,980,750.93	
Sale of Crown reserve leases	1,181,349.17	
Miscellaneous	5,412.04	$5,294,018.74
		$5,660,486.84

The situation today is this. The revenues from school lands as a percentage of provincial expenditure on education declined in Manitoba from 9.5 per cent in 1945-46 to 3.5 per cent in 1957-58. In Saskatchewan, the revenues from school lands were 21.9 per cent of educational expenditures in 1945-46 and 14.2 per cent in 1958-59. In Alberta, the school lands revenues constituted 12.9 per cent of educational expenditures in 1945-46 and 8.8 per cent in 1958-59.

The provinces have also contended that the retention of federal control over the use of the school lands and school lands funds in the three prairie provinces infringes upon their autonomy and that the existence of this legislative control involves unnecessary administrative work and impairs the financial flexibility of the provinces concerned. In the belief that the arguments advanced by the provinces were reasonable and in the desire to co-operate with the prairie provinces in this matter, the Prime Minister at the dominion-provincial conference of February 1961, suggested that the governments of Canada, Manitoba, Saskatchewan and Alberta should enter into an agreement to confer on those provinces complete authority over their school lands and their school lands funds. The provinces were agreeable to such an arrangement and agreements to this effect have been entered into by the governments concerned. The house will be asked by the bill to be founded upon this resolution to approve on behalf of Canada the agreements entered into with the provinces of Manitoba, Saskatchewan and Alberta. The agreements as I said will become effective when they have also been approved by the legislatures of the provinces concerned.

Mr. Benidickson: Mr. Chairman, as the parliamentary secretary has indicated we are discussing an amendment to section 7 of the basic agreement between the federal government and the three prairie provinces entered into in 1930, removing any suggestion that these funds are to be regarded as trust funds and specially segregated and under special

rules in so far as income therefrom is concerned in the hands of the provincial governments.

I do not think the amendment to the original agreement that will likely appear in the bill will prove to be nearly as controversial or delaying in debate as was the original amendment introduced by the Mackenzie King government in 1930.

At that time the opposition of the day suggested that, notwithstanding that the agreement seemed to eliminate a long standing controversy and sense of grievance that existed in the prairie provinces because they did not appear to be on a similar basis as were the other provinces of Canada with respect to their natural resources under section 109, I believe, of the original British North America Act of 1867, and quite apart from any infringement of autonomy with respect to school lands, there were none the less other infringements of autonomy unlike the conditions that applied with respect to the natural resources of the older provinces. It was suggested that the federal government retained certain rights with respect to lands in which it had made investments for national parks, including mineral rights with respect thereto. Certain suggestions were made to the effect that there were also some restrictions on the prairie provinces with respect to water development unlike the situation in the older provinces. There was also the suggestion that by the retention of some federal rights with respect to lands that had already been designated as Indian reserves, the amendment of 1930 was unsatisfactory.

I wonder whether, as a result of the recent negotiations with these provinces which result in the present amendments to the 1930 agreement, the prairie provinces have indicated that they seek changes in the areas I have outlined and in the area of control of national parks. Of course, if control were to be released they might also seek control with respect to expenditures in relation to those territories designated as parks. Perhaps this control would fall to the provinces ipso facto. I wonder whether a request was made for control of mineral rights in the parks and whether there were negotiations with respect to lands designated as Indian reserves. In any event, we on this side have no quarrel with the proposed bill. It will leave the provinces unfettered. I take it that at the moment the control is largely in the segregation of revenues from those sources and certain stipulations as to the form of investment of those revenues. We have no quarrel with that. The requirements of the long standing Dominion Lands Act will no longer prevail. I think the parliamentary secretary indicated that the pertinent sections of the Dominion Lands Act which will no longer prevail are sections 34 to 40. As I read the agreement, which was tabled last Friday, I take it that it involves section 37.

Mr. Bell (Carleton): Sections 37 to 40.

Mr. Benidickson: Inclusive.

Mr. Herridge: Mr. Chairman, one can be in this house for a number of years and yet always learn something. This afternoon I listened with interest to the historical background of those school lands of the three prairie provinces concerned, of their administration, of the sales and of the amendments to the original legislation to date given by the parliamentary secretary to the Minister of Finance.

We support this legislation. It seems to us that these agreements are the result of negotiation. They are a sensible arrangement; they are in accord with the spirit of the times and of the wishes of the provinces concerned.

Mr. Regnier: I should like to know whether this transfer of school lands would be subject to the performance by the province of Manitoba of its obligations under the Manitoba Act of 1870 or under the British North America Act of 1871. Section 6 of the latter act says:

> Except as provided by the third section of this act, it shall not be competent for the parliament of Canada to alter the provisions of the last mentioned act of the said parliament, in so far as it relates to the province of Manitoba, or of any other act hereafter establishing new provinces in the said dominion, (e) subject always to the right of a legislature of the province of Manitoba to alter from time to time the provisions of any law respecting the qualification of electors and members of the legislative assembly, and to make laws respecting elections in the said province.

This shows that under the British North America Act of 1871 the province of Manitoba has no right to deal with school matters in that province in connection with the rights reserved by the act except subject to what is mentioned in the section I have just read. I take it that if there is any transfer of school lands to the province of Manitoba it should be made clear and understood that they are transferred subject to the performance by the province of its obligations under the British North America Act and the Manitoba Act of 1870.

Resolution reported and concurred in.

Hon. Leon Balcer (for the Acting Minister of Finance) thereupon moved for leave to introduce Bill No. C-129, to amend certain agreements respecting the administration and control of natural resources in the provinces of Manitoba, Alberta and Saskatchewan.

Motion agreed to and bill read the first time.

Mr. Speaker: When shall the bill be read the second time?

Mr. Pickersgill: Since there is nothing controversial in the bill, I think we on this side would be disposed to proceed with the second reading at 7.30 o'clock, if copies of the bill were made available in the meantime so we could have a look at it.

Mr. Bell (Carleton): I would have to check with the law clerk. The bill has been printed but I am not certain as to its availability.

Mr. Pickersgill: If copies could be made available a few minutes before 7.30 o'clock we on our part would not object to going ahead with it.

Mr. Speaker: Is the house prepared to say that the bill be read a second time later this day or at the next sitting of the house, as the case may be.

Mr. Chevrier: Later this day.

Mr. Speaker: Later this day or at the next sitting of the house, depending on the state of the printing of the bill.

Some hon. Members: Agreed.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at 7.30 p.m.

Hon. Leon Balcer (for the Acting Minister of Finance) moved the second reading of Bill No. C-129, to amend certain agreements respecting the administration and control of natural resources in the provinces of Manitoba, Alberta and Saskatchewan.

Mr. W. M. Benidickson (Kenora-Rainy River): As indicated earlier today at the resolution stage, this does not appear to be a controversial bill. It amends only one section of an act that was very important in 1930, as I know because I was a resident of Manitoba in 1930. This act was introduced, then, by the Mackenzie King government. I recall that at that time one of the sections of the bill before us was objected to at great length, and the objections covered many pages of *Hansard*, by some of the most eminent lawyers we had at that time including the Hon. C. H. Cahan and the Right Hon. R. B. Bennett. I refer to the argument to the effect that parliament should not be presented with a bill after an agreement which more or less tied its hands had been signed.

However, in this case the tying of hands does not appear to me to be any more important today than it was at that time. It was the essence of the agreement that was important then, as it is now. I quite agree with the presentation of the parliamentary secretary to the effect that the provinces should be unfettered with respect to jurisdiction over revenues that might derive from crown lands that were transferred to them, so that they would be on an equivalent basis with the older provinces of Canada which form the confederation about which we were talking this afternoon when we were thinking about our centenary year.

I do notice, however, Mr. Speaker, that the schedules to the bill, if you will permit me to refer to them now rather than later, are signed on behalf of the government in all instances I think by one who identifies himself as Walt. Dinsdale. I might ask, why not Wally? I might perhaps indicate that another eminent gentlemen who used the term "Walt", and I refer to Mr. Whitman, said at one time, "My rendezvous is certain; it is appointed." I think the Minister of Northern Affairs and National Resources (Mr. Dinsdale) might think there was some significance in that. However, I am sure that he would not agree with another quotation from one who was ultimately known as "Walt" when he said, "And nothing, not God, is greater to one than oneself."

Motion agreed to and the house went into committee, Mr. Chown in the chair.

Clauses 1 and 2 agreed to.

Schedules A, B and C agreed to.

Preamble agreed to.

Title agreed to.

Bill reported.

Mr. Speaker: When shall this bill be read a third time; now?

Mr. Pickersgill: Now, by leave.

Mr. Balcer moved the third reading of the bill.

Motion agreed to and bill read the third time and passed.

CANADIAN NATIONAL RAILWAYS

CONSTRUCTION OF LINE TO GREAT SLAVE LAKE

Hon. Leon Balcer (Minister of Transport) moved the second reading of Bill No. C-126, respecting the construction of a line of railway in the province of Alberta and in the Northwest Territories by Canadian National Railway Company from a point at or near Grimshaw, in the province of Alberta, in a northerly direction to Great Slave lake, in the northwest territories.

He said: Mr. Speaker, the bill which we now have before us is an important and long

awaited step in the development of the north, but more particularly in that portion of the Northwest Territories tributary to Great Slave lake.

Authority is being sought to enable the Canadian National Railways to build a branch line from Grimshaw, Alberta, to Great Slave lake, Northwest Territories, a distance of approximately 438 miles, under which the government will advance to the company the funds required for the construction of the line but not exceeding $86,250,000. This sum represents a preliminary estimate of the cost of construction of $75 million plus 15 per cent for contingencies.

As hon. members know, a survey of the route is in progress and is expected to be completed by the end of the year. Only then will it be possible to make a detailed and realistic estimate of costs. If it should develop that unforeseen construction difficulties should increase the costs beyond those presently estimated, then additional funds would have to be provided.

It is over 30 years since the settlers north of Grimshaw were promised an immediate extension of the Northern Alberta Railway to the northern boundary of Alberta. However, little serious interest was shown in the matter until 1954, when the existence of a major zinc-lead ore body at Pine Point was confirmed.

Following this development there were repeated intermittent discussions between the federal government and Consolidated Mining and Smelting Company regarding the need for a railway to Great Slave lake. The royal commission on Canada's economic prospects also received representations in 1955 and 1956 on behalf of the Northwest Territories which emphasized the need for such a railway, but the commission dealt with the matter in a general and indefinite way.

The throne speech of May 1958, included the statement that in order to promote national development on the frontier in the north, parliament would be asked to authorize the construction of a railway to Great Slave lake. A wide divergence of opinion immediately developed as to the route which should be followed by the proposed railway and a royal commission was appointed in June 1959, to inquire into the matter and to report to parliament. The report of the commission became available in July 1960, with the majority opinion favouring the western route from Grimshaw. In keeping with this opinion it was announced in November 1960, in the speech from the throne, that a detailed survey of the western route would be undertaken; and in December 1960, when $250,000 was appropriated to start the survey, I stated in the house that a railway would be built on this route after the completion of the survey. In February 1961, I further stated that, because of the distance involved, the proposed line could not be self supporting from the start so that some form of governmental subvention would be necessary.

The proposed railway extension from Grimshaw will follow a route paralleling the Mackenzie highway and terminating at the port of Hay River. A spur line from the vicinity of Alexander Falls, some 25 miles south of Hay River, will serve the needs of Pine Point mine. Some might ask "Why build a railway when a highway is available", the suggestion being that the Pine Point mine might be brought into production on the basis of trucking. That possibility has been explored and we are satisfied that rail transport offers the more economical means of bringing the property into production as well as furthering the development of the north.

Construction of the railway line will bring about major new construction projects, namely a $21 million mining camp at Pine Point; a $16 million expansion of the plant of Consolidated Mining and Smelting Company at Trail, B.C; a $2 million community development at Pine Point; and some $5 million for new railway equipment and rehabilitation of existing railways. The total capital expenditure involved, including the $75 million estimated cost for the new line, will thus total about $120 million.

The operation of Pine Point mines will result in the annual production and shipment of some 215,000 tons of lead and zinc concentrates. As I indicated at the resolution stage, if the Pine Point operation was not undertaken, the Canadian economy would be adversely affected not only by the substantial loss in employment but by the necessity of importing foreign concentrates at a cost of about $13 million annually to maintain the output of the Trail plants. Moreover, under these circumstances, Consolidated Mining and Smelting Company would not expand its plant at Trail so that additional export business from the sale of metal amounting to about $6 million per year would not be obtained.

While the Pine Point mining operations would be the most important immediate development resulting from the construction of the proposed railway, other important benefits would also be realized. I outlined some of them at the resolution stage, namely provision of service to some 8,000 people living north of Grimshaw; provision of service to existing industries such as commercial fishing on Great Slave lake and gold mining at Yellowknife; stimulation of agricultural expansion

in some 6 million acres of arable land adjacent to the railway; stimulation of forest industries based on some 13 million acres of adjacent forest lands; and stimulation of mineral exploration. In other words, the proposed railway would be somewhat different from most branch lines constructed in recent years which were designed to service one mine or a group of mines. Its purpose, in fact, is to open up a whole new region.

The Great Slave lake railway will therefore be for the general development of the north. A substantial freight movement will immediately be generated by the operation of Pine Point Mines Limited. It is estimated that this movement will result in total revenues of some $5 million annually from the shipment of concentrates southward from Pine Point and the shipment of supplies north to Pine Point. The portion of this revenue accruing to the new section of the line would be about $1,700,000 annually. In addition, the report of the royal commission on the Great Slave lake railway estimates that existing business in the area would provide a further $1,200,000 annually. Total revenues available to the new section of the line would thus approximate $2,900,000 per year.

Thus a considerable traffic will be carried over the line although not all of this can be expected to accrue immediately. For this reason we felt that some financial assistance from the mining company was required in view of the indispensability of the railway to the new mining development at Pine Point.

I am happy to state that it has been possible to reach an agreement with the companies concerned, namely Consolidated Mining and Smelting and its subsidiary, Pine Point Mines, respecting the amount of assistance to be extended by the companies and the conditions under which it is to be payable.

I should like to review the principal terms briefly. To provide sufficient flexibility in the discharging of the agreement provision has been made for varying rates of production at the mine and for varying levels of earnings of the railway, and the over-all results are averaged out over the period of the agreement.

The basic terms are:

(1) The railway is to be completed on or before December 31, 1966.

Mr. Benidickson: Nineteen sixty six?

Mr. Balcer: Yes, 1966.

Mr. Benidickson: Oh, my.

Mr. Balcer: Continuing the basic terms, they are:

(2) The mine is to be in production on or before the same date.

[Mr. Balcer.]

(3) The mining company is to pay a rate of $7.75 per ton on all ores or concentrates shipped up to 215,000 tons annually for the first 10 years of operation. Normal rates which are less than $7.75 per ton will be paid on traffic in excess of 215,000 tons in any year provided the cumulative shipments in previous years have averaged 215,000 tons or more annually.

(4) In addition, the mining company will pay a special transportation charge, based on the value of the concentrates shipped, starting three years after the commencement of production and extending for 10 years. This will not exceed $2 million in any year and $20 million over the whole 10-year period. At the anticipated rate of production and at the average lead and zinc prices prevailing during the period 1951 to 1960 this contribution would aggregate $12,500,000 over the 10 years. This amount is to be payable to the railway, which will in turn pay it to the government. It constitutes a capital contribution of the mining company toward the building of the railway.

(5) There are additional terms in the agreement which provide for the handling of current deficiencies or surpluses in the level of railway revenues during the 10-year period and safeguard the position of Canadian National Railways so that any reduction in the volume of mine traffic will not result in an operating deficit to be borne by the railway. The railway undertakes that no other producers of ores or concentrates on its line will receive any more favourable terms than those accorded Pine Point Mines.

The agreement also provides for the routing of the ores and concentrates traffic between Pine Point Mines and Tadanac, British Columbia, and the west coast so that each of the participating carriers will receive an equitable share of the traffic.

In summary, the advantages of constructing the proposed railway are very great:

(1) It will implement an essential element of the government's announced program of northern development.

(2) It will have a pronounced stimulating effect in all parts of the Mackenzie area.

(3) It will avoid the importation of zinc concentrates and effect a substantial saving in foreign exchange.

(4) It will bring about substantial employment, both in construction of the railway and in construction of the new mine at Pine Point, including the new community there, and expanded facilities at Trail, B.C. These projects will require about four years to complete and over that period employment for several hundred men will be provided.

In the light of all considerations the government believes the proposal is a sound one and I trust it will commend itself to all hon. members. When the bill has been given second reading I propose to move that it be referred to the standing committee on railways, canals and telegraph lines.

Hon. Lionel Chevrier (Laurier): Mr. Speaker, I have listened carefully to the interesting statement made by the Minister of Transport (Mr. Balcer) in connection with the construction of this Pine Point line from Grimshaw to Great Slave lake. We on this side of the house support this bill, as I stated during the discussion at the resolution stage. We support it for many reasons. First, because—and I need not repeat what I said at that time, except in a very general way—it was the former administration that recommended the construction of this line together with a whole program for the development of the northern part of Canada to the royal commission on economic prospects in November, 1955. I dealt with some of the details of the brief which was presented to the commission on that date by Mr. R. J. Robertson, the commissioner of the Northwest Territories as he then was.

I think I also indicated at the time that we favoured the construction of this, a developmental line, because not only would it assist in moving strategic material from the area in the Great Slave lake, but it would also assist intermediate traffic between that point and Grimshaw and Edmonton.

In the course of his statement a moment ago the minister added a number of very important reasons why parliament should approve the construction of this line. However, I hope the minister will not feel that the criticism I intend to make now is criticism againt the principle of this measure. Rather it is criticism of the manner in which the government has proceeded.

We think, sir, the government has put the cart before the horse in this case and that this is an example of another Columbia river project. In other words, that long before the agreement among the four parties, namely Her Majesty, Canadian National Railways, Consolidated Mining and Smelting and Pine Point Mines was signed, executed and completed, parliament was asked to deal with this measure first by way of resolution and then by way of a bill.

On July 1 I put the following question to the Prime Minister:

> Could I ask the Prime Minister whether the agreement referred to in the resolution which appeared on the order paper yesterday among the Canadian National Railways, the Consolidated Mining and Smelting Company of Canada and the Pine Point Mines Limited has been negotiated and signed by the parties involved in this bill?

There was no answer from the Prime Minister although he was in his seat. Then I put this additional question:

> Surely the Prime Minister ought to be in a position to know whether the agreement has been negotiated, because I presume the bill was based on the agreement.

Then the Speaker intervened and I was not allowed to proceed further. On July 3 I put the following question to the minister:

> May I direct a question to the Minister of Transport? Has the agreement between Canadian National Railways, Consolidated Mining and Smelting Company and the Pine Point Mines Limited been completed? I refer to the agreement upon which the resolution which the minister introduced the other day was based. Are the negotiations concerning this agreement completed?

In reply to which the minister said:

> No, Mr. Speaker, negotiations are not completed. Discussions have been going on for a long time. All the major points have been cleared. There is only one minor matter that has still to be agreed on but it has nothing to do with the main principle of the agreement; it is only a detail and should be dealt with very shortly.

The record continues:

> Mr. Chevrier: I shall ask a supplementary question if I may. Does the minister intend to introduce the bill in the house for discussion and consideration even though the agreement is not completed?
>
> Mr. Balcer: The bill will be introduced when the government places it on the order paper.

Well, the bill was never placed on the order paper, as the minister knows. It was announced that second reading would take place and then when I asked the minister this morning whether or not an agreement had been executed and signed he said that it had not but he hoped it would be by the time the measure was referred to the committee on railways, canals and telegraph lines.

I say that this is not the proper way to proceed with a bill of this importance where the expenditure of a sum of $86 million or more may well be in contemplation—that will depend upon the survey which the minister said would be reported upon by the end of this year. It only goes to show that in matters of this importance there is confusion and disorder on the part of the members of the government.

An hon. Member: Only in your mind.

Mr. Chevrier: The hon. member for Edmonton West interrupted me by saying it is only in my mind. Well, in fact I have put on record the point that the agreement has not been signed even until this day, though we have had a resolution passed by the committee and now the house is being asked to pass this bill—another Columbia river project where the government is so anxious to be able to announce to the world that a

great developmental project for natural resources has been executed but agreement with the province of British Columbia, the one concerned, has not been brought forward. Today the case is the same.

I want to say a word or two about the route. After four years the government has decided to follow the Grimshaw-Great Slave lake route. The minister himself told the sad story. Here is what he said: In 1958 here is what the government said in the speech from the throne: "Parliament will be asked to authorize the construction of the Pine Point railway". In 1959 a royal commission was established to select a route, to decide whether it should be the eastern route by way of Waterways or the western route through Grimshaw. In 1960 the report of the royal commission was available favouring the Grimshaw route. In 1961, the minister announced that the line would be self supporting.

The question I put to the minister is this: did not the officials of his department—I shall not accuse him, of course, because he was not the minister then—did not the officials of his department know that this was the best route to follow long before the speech from the throne of 1958 was prepared? Is there no evidence in the files of the department to indicate that the Grimshaw route was the one favoured by the authorities in the department? I think parliament is entitled to know that. If that is the case, why did the government wait four years before bringing about this legislation when it had in its files a recommendation, so I understand—if I am wrong the minister will correct me—to the effect that the Grimshaw route was more suitable from the point of view of terrain and should be followed? None the less there has been all this delay because, we are informed, the government favoured the Waterways route and hoped and expected that the royal commission would report unanimously or at least in the majority in favour of the Waterways route. I think the house is entitled to get some clarification on that point from the minister.

Then I think we should hear something about the cost. Is there anything in the files of the department to indicate what the cost of this project was going to be when the government took office in 1957? I think we should be told. The information which has been brought to my attention is that the line would have cost between $50 million and $55 million. If this is the case, the house is entitled to an explanation of why there has been an increase to $86 million.

Then we are entitled to know whether the taxpayers of Canada will get their capital back. Is this line going to be economic in the light of the traffic which will move from the mines and the intermediate points? Then again, where will the traffic go after it reaches Edmonton; how will it be divided between the railways?

Of course, the minister has outlined in some detail what is contained in the agreement but does he not think we should be shown the agreement before we dispose of a matter of this importance? After all, I am sure the minister is anxious to get this legislation through. This is good legislation in principle. He should give the house all the information available so that the opposition may be in possession of the same information as he has in order to be able to pass judgment on whether the agreement is one which is beneficial to the crown interests and those of the taxpayer. The only way in which we can decide this is by perusal of the agreement. How will this payment of $20 million to which the minister referred work out? How much of the traffic represented by the payment of $20 million will go towards operating costs and the maintenance of the line? I am informed that this is a matter of some consequence in the bill. I think the only manner in which these questions can be disposed of satisfactorily is by production of the agreement now, not in a week's time, so that we may be able to discuss this matter intelligently when it is referred to the committee on railways, canals and telegraph lines.

I do not wish to delay the house. Because of what is contained in the representations made by the Northwest Territories council to the royal commission on economic prospects in 1955 it is the position of the opposition that a railway from Grimshaw to Pine Point is essential if the base metal deposits in the Great Slave lake area are to be developed. Also, a railway constructed to serve the Pine Point area would extend transportation benefits to the whole of the Mackenzie river basin and would bring rail service to an area in that part of the country capable of agricultural development. What that agricultural development is, I am not in a position to say at this time. I know, however, that repeatedly that development has been discussed in the house every time there was a question raised concerning construction of a railway in that part of the country.

I conclude simply by saying that as on the resolution so also on this bill we favour the construction of this line. We hope it will be possible for the minister to produce the agreement so we can decide for ourselves whether the capital invested will be for the general good of Canada and for the good of the taxpayer as well. I trust that the minister will

find it possible not only to answer the objections I raised earlier but also to produce the agreement.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, as I said when speaking to the resolution we support the principle of the bill because it provides for transportation that will serve the settlers in this area as well as meet the needs of the present development there. Without doubt it will also promote further development. However, it is quite obvious that the possibility of the construction of the railroad is based almost entirely upon the Pine Point development and its stability and future.

Before proceeding with my remarks in that connection I wish to bring to the attention of the house the fact that we have here another instance of the Canadian Pacific Railway failing to assume its responsibility. It refuses to build a railroad to its own mine. That is a matter of fact. Pine Point Mines Limited is owned by Consolidated Mining and Smelting Company of Canada Limited and the C.P.R. is the major owner of Consolidated Mining and Smelting.

Like the previous speaker I express regret at the fact that the house is being asked to deal with this legislation without a copy of a completed and signed agreement. We are dealing with it with the feeling that there are uncertainties of which we would not have knowledge at this time with respect to this agreement.

I have followed this development with a great deal of interest because I represent a constituency in which Consolidated Mining and Smelting is the largest industrial operation. I am always interested in their activities both industrial and otherwise. I have had much correspondence with mining engineers and have held conversations with engineers connected with mines in the Kootenays, and so on that account I have amassed a considerable amount of information on the subject. I shall deal with only one aspect of the proposal this evening. The construction of this line is based almost entirely on the stability and future of Pine Point Mines Limited.

I have in my hand an extract from the May 1954 *Canadian Mining Journal* which I wish to place on the record. I always tend to cock an eye with respect to mining prospects. I have lived in mining country all my life. I have noticed an inclination on the part of those engaged in this industry to be too optimistic with respect to future development. I shall quote a few extracts from various sources to indicate the variation in the estimates of the ore reserves connected with Pine Point Mines Limited.

The journal to which I referred points out:

> Thus the tonnage of indicated ore has been expanded from the 500,000 tons reported in 1930 to several million tons. This testing has been concentrated in the shallower eastern part of the property, and as a result about two thirds of the indicated ore can be mined by open pit methods.

I turn now to the 1960 issue of the *Canadian Mines Handbook* which refers to the fact that churn drilling at Pine Point Mines Limited has outlined several million tons of ore of which approximately 50 per cent is minable by open pit methods.

I deal now with a report published by the Department of Northern Affairs and National Resources entitled "Known Mineralized Areas and Mining Development—Yukon Territory and Northwest Territories" prepared by K. J. Christie, B.Sc., P.Eng. head, mining section, resources division, northern administration branch, in which he has the following to say:

> Some of the world's largest deposits of lead and zinc have been found in this type of deposit and it would appear that Pine Point is not an exception. Although the company does not state the amount of ore reserves, the generally accepted figure is in excess of 10 million tons.

He then goes on to deal with the possibilities for the development of this ore.

The *Financial Post* of April 4, 1960 carried an article entitled "Push Railways to Catch Vote". That is a rather unkind implication, is it not? In this article I read:

> The Pine Point deposit contains 5 million tons of 7.4 per cent zinc ore which could be mined on an open pit basis and milled on the spot for Cominco Trail, B.C., smelter.

I turn now to the report of the annual meeting of the Consolidated Mining and Smelting Company of Canada held on April 28, 1960 at Montreal, in which is contained the address to shareholders of the president, Mr. W. S. Kirkpatrick. Mr. Kirkpatrick had this to say:

> At the annual meeting in 1940 Sir Edward Beatty, then chairman of the company, remarked that ore reserves at the Sullivan were sufficient for well over 20 years of operation at the existing rate of production. The same statement can be made today after 20 years of continuous production at rates between 2 and 3 million tons of ore per year.

He went on to say:

> Therefore, while operation at the present rate of 2½ million tons annually is assured for many years, it would not be sound practice to attempt to satisfy our full smelter capacity by increasing the output from the Sullivan... The most important result has been the Pine Point discovery at Great Slave lake where work completed in 1954 indicates reserves of the same general order as those at the Sullivan.

I come now to the address of Mr. Kirkpatrick to the annual meeting of the shareholders which was held on April 27, 1961, in which he says:

Canadian National Railways

In my address last year I touched on the subject of ore reserves, and I wish to discuss this further today.

This is an interesting point:

It has not been the practice of the company to report ore reserves in terms of tons and grade because we feel that such information is commonly misinterpreted.

While our mining plan sets out our program for the next 25 years, this does not define the extent of Sullivan ore reserves, and I can assure you that the mine is good for many decades at the present rate of output.

Anyway, here is a company indicating that it does not report its ore reserves in terms of tons and grade. I just make that point at the present time.

This is part of an article which appeared in *Collier's* magazine for August 9, 1952:

Just across the lake at Pine Point, Consolidated Mining and Smelting is sinking an exploratory shaft this year into what is believed to be the world's largest body of lead and zinc. Diamond drilling indicates that the ore is a 200 foot chunk, almost flat, and parallels the surface over an area 20 miles long and two miles wide.

It goes on with further details. In *Maclean's* magazine of March 31, 1956, we find this article in connection with this subject:

There seems to be no shortage of future Canadian economic milestones. One of the world's largest lead-zinc deposits has been outlined at Pine Point, on the south shore of Great Slave lake. The ore body is reported to be 36 miles long, three miles wide and up to 100 feet thick.

In *Maclean's* magazine of November 15, 1954, there is an article dealing with the same subject in which the following appears:

The ore bodies run for 36 miles in a three mile strip. The most conservative figure places the potential at 120 million tons.

I come to an address by Mr. R. H. Dean of Nesbitt, Thompson and Company Limited, in which he deals with this question as follows:

Extension of rail some 400 miles north to Great Slave lake has been recommended by the commissioner of the Northwest Territories to hasten mineral development, particularly at Pine Point, said to have in excess of 600 million tons of ore containing lead and zinc, and awaiting early development by private industry.

At the convention of the mining institute of Canada, held at Edmonton in 1958, Mr. R. H. Dean is reported to have told the convention that the deposit was "said to have in excess of 600 million tons". We find that attending the conference was Mr. W. G. Jewett, vice president of Cominco, in charge of mines. According to this report he did not question Mr. Dean's estimate.

I mention these various reports and these articles in periodicals, Mr. Speaker, to indicate what a wide variation there is in the assessment of the reserves at Pine Point. I trust that when this bill goes before the committee the officials of the Department of Mines and Technical Surveys will have some accurate information to give the committee so that it will know it has a sound basis on which to support this bill so far as the stability of the future production of Pine Point Mines is concerned.

According to the bill, this could cost the public $86,250,000. Hon. members have to justify that expenditure of public money. This matter should be very carefully considered by the committee. The officers of the Department of Mines and Technical Surveys should be heard. They have the information because they have issued reports on this mine. The officers of the Consolidated Mining and Smelting Company, and the Canadian National Railways and the Canadian Pacific Railway should be heard. It would be a wise thing for the committee to invite representatives from the Canadian institute of mining, and other witnesses who wish to attend. It is essential that the committee have all the facts available when it is discussing this question.

As the previous speaker said, the committee and the house are entitled to know whether the mine is going to be profitable. If it is not, we should be frank and tell the public that it must expect to lose a certain amount of money each year for a number of years in order to promote this development and in order to relieve the Canadian Pacific Railway of a responsibility which in the first instance is theirs. Then, they should give the final details of this agreement; otherwise, as the hon. member for Laurier (Mr. Chevrier) said, we might be endorsing a sort of second Columbia treaty which we find is not quite what we expected it to be when it was brought to our attention in the house.

Another point the committee should inquire into is how is this $20 million going to be paid by the Consolidated Mining and Smelting Company and the Pine Point Mines Limited. The committee should also be entitled to know whether the companies concerned are permitted to deduct expenditures made in this direction, or to include them as costs of operation and benefit from income tax deductions so that in the final analysis the country would never receive a very large percentage of the $20 million which may seem somewhat attractive in the bill at the present time.

There are numerous other details. This is an important matter. The committee has to give the bill very close study indeed so that when they return to their constituencies the members will be able to justify supporting this subsidy of possibly up to $86,250,000.

I have read some of these agreements with large companies in Canada and I can say

quite truthfully that in Canada some large companies have received very large concessions from the government of Canada on information given to the Minister of Finance (Mr. Fleming) that was proven not to be true, and we can prove it. I think we must have all these details explained in order to understand the situation, the possibilities for expansion and development, the costs involved, the costs of maintenance and the situation the Canadian National Railways is likely to face in the years ahead.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, after being in this house for some years it is still a matter of amazement to me to observe the way in which the opposition parties persist in beating their weary, wounded, bloody heads against the stone wall of facts. I expect this of the party which sits to your immediate left, Mr. Speaker. Politically speaking they have the kind of head which is designed by nature for pushing up against stone walls. I feel sorry for members of the official opposition who really should know better. On several occasions, either in the house or in committee, I have placed before hon. members incontrovertible facts which I suggest are not capable of successful contradiction and which members of the opposition have not attempted to contradict, to explain and set out in words of one syllable, which they should be able to understand, that any delay which has been caused to the bringing about of this great national project can be attributed entirely to their actions.

I was glad to note that the hon. member for Laurier (Mr. Chevrier) during the course of his remarks said he favoured the principle of this bill, but then he made a great number of exceptions. He referred to a four year delay. The memoranda to which he referred and which contained the brief filed by Mr. Robertson, the deputy minister of northern affairs in 1955 before the Gordon commission, did in truth say that they favoured the construction of this railway. The brief went on to make it manifestly clear that the route which was favoured was the western route. Attached to that brief was a map which outlined the route proposed to be followed, and it was similar to the one the present government now proposes.

However, it is my submission, and I have placed the facts on the record from time to time to prove this, that from that time on the feelings of the then government changed for some reason or other. I have never been able to ascertain the reason, but they decided to proceed with the construction, if at all, by the eastern route.

Mr. Benidickson: That is just in your mind, but it might be so.

Mr. Baldwin: I am prepared to show the hon. member at any time that these are the facts and they cannot be controverted. This was the view of the then government. They may have held that view through ignorance or they might have been interested in helping their friends. There might have been many reasons, but that was their intention. This was the situation when the present government came into office. The government, under the leadership of the Prime Minister (Mr. Diefenbaker), might have acted in an arbitrary and arrogant way. They might have said, we have certain records here and recommendations; we are going to build this railroad by the eastern or McMurray route. Instead of doing that, when it was brought to the attention of the members of the government that there was a logical and just reason for the construction of the western route, when it was made apparent that there were people who had a claim, in equity, to being considered, when the economics of construction and operation and of the potential traffic which might be generated were made plain, the government appointed a royal commission to consider the matter rather than have it debated in the partisan and heated atmosphere of this chamber.

Evidence was given by the various municipalities, private companies, private individuals and groups, and the hearings of that commission occupied a period of more than a year. Although the commission was set up in June, 1959, it was not until July, 1960 that a report was made. The government, as indicated by the Minister of Transport (Mr. Balcer), then properly saw fit to accept the majority recommendations of that report and at the ensuing session of parliament included in the speech from the throne a statement to the effect that a location survey would be made. I believe effect was given to this intention some time in December. I recall going home to my constituency during the Christmas recess last year and finding that the people and equipment of the Canadian National Railways were then poised and ready, waiting for this house to pass the appropriation. They went to work at once and I believe the survey will be brought to a conclusion some time at the end of this year.

We have a proceeding in our profession known as estoppel. I suggest that the official opposition should be estopped from ever suggesting that any of this delay could be laid at the door of the existing government. They, and they alone must accept the responsibility.

Now, Mr. Speaker, some question has arisen as to the signing of the agreement. I think I can well leave that question to the minister,

but I can make this remark. I think it was essential that there be a survey. I believe some consideration must be given to the question of costs, to the question of grades and the operating costs of this railroad. I believe that question will not be completely answered until the survey is completed. However, I am satisfied in my own mind that enough information is now available to permit the parties to have some idea of what those figures will be.

I believe the hon. member for Kootenay West (Mr. Herridge) is entirely incorrect when he says that this railroad is being constructed entirely for the Pine Point developers. I will agree it is a fact that the existence of this large ore body at Pine Point ensures, as I have said before, the bread and butter costs of operating the railroad for the first few years. It might well be difficult to justify the immediate construction of the road without this ore body. However, I deny absolutely that it constitutes the entire reason for construction. The minister mentioned something about 8,000 people living north of Grimshaw. I think the census concluded this year will indicate that the number is nearer 18,000 or 20,000. These people are the descendents of those who settled here many, many years ago and who were promised that, in due course, a railroad would be provided for them.

As I have said, it might be difficult to justify the costs which are envisaged by this measure if it were for the convenience of these people alone. However, when we find there is a more cogent reason, when we find that there is another reason economically for the railroad being built, surely under those circumstances it would be improper and unjust to build the railroad without regard to the promise to these people that a railroad would be constructed in due course. I propose, if I have the time, to say something to indicate what the resources are in this area in addition to Pine Point. I am not exaggerating when I say that long after Pine Point is forgotten there will be in the area which is tributary to this railway, settlements consisting of hundreds of thousands of people producing goods, commodities and services bearing no relationship at all to the mining properties at Pine Point.

Pine Point itself, Mr. Speaker, is something of an anomaly. It is found, not in the pre-Cambrian shield where so many of the mining properties in Canada have been discovered, but in a sedimentary basin many miles to the west. Extraordinarily enough, it was discovered in 1898 by prospectors who were travelling into the Yukon. Attempts were made from time to time to delineate the area of this particular ore body, but it was not until the last 10 or 15 years when Consolidated Mining and Smelting, through its subsidiary Pine Point mines, continued studies and undertook the development and exploration work necessary that the ore body was delineated.

The hon. member for Kootenay West (Mr. Herridge) made some reference to a speech made by Mr. Kirkpatrick, the president of Consolidated Mining and Smelting Company, in dealing with this particular mine. If he had read a little further—and I give him credit that he did not read one of the truly pertinent parts of this speech—I think he would have found there significant facts which answered any questions he asked. This is what Mr. Kirkpatrick said in his speech. It may possibly not be the same speech to which the hon. member referred. The speech I have is one made by Mr. Kirkpatrick before the Alberta and northwest chamber of mines and resources at Edmonton on January 13, 1961. Here is what Mr. Kirkpatrick said at that time:

> The first claims in the Pine Point area were staked in 1898 by miners on their way to the Klondike. This find lay dormant until about 1916 when more exploration work was done. There was renewed activity around 1920, but again nothing came of it. About 1928, interest in the area was revived, and a program of drilling and shaft sinking was undertaken, but when the depression came the project was abandoned. It was not until 1948, 50 years after the original staking, that my company initiated a systematic program of exploration under a three year concession. As a result of this work, new claims were staked, and in 1951, Pine Point Mines Limited was incorporated to continue the development. By the end of 1954, and after the expenditure of some $3 million, the existence of large reserves of zinc-lead ore was established. Grade and other conditions were satisfactory for a mining operation, and tests had demonstrated that high grade concentrates could be produced.
>
> As I indicated in my address to Cominco shareholders last April,—

That may well be the speech to which the hon. member referred.

> —the Sullivan mine at Kimberley, B.C. now provides about two third of Cominco's lead and zinc, and can continue to produce at this rate for several decades to come. However—

And this is what I want to emphasize to the house.

> —certain physical conditions in the mine limit the rate at which ore can be extracted, and we have been operating at the maximum economic limit for some years. Of course, in times of emergency, as during world war II, higher rates of production can be maintained for limited periods.
>
> Certain other sources of Cominco metal are becoming depleted, particularly a large stockpile of residue material which will be exhausted in 1962. In order that we may utilize the reserves of our various mines in the most economic manner, new sources of supply are needed both to maintain the present output of our reduction plants and to increase the output as required by expanding market opportunities.
>
> The initial rate of operation proposed at Pine Point would result in an increase in the output of

refined metal from the Trail plants. In our opinion, it will be possible to dispose of this additional output by the time the mine can be brought into operation. For the more distant future, our long-term forecasts indicate that growing world consumption of lead and zinc will create growing opportunities for metal from Canadian mines.

Here may I interject that those who are familiar with the Paley report which is a projection of the material requirements of the North American continent made some years ago and projected to the end of 1975, and who have had the opportunity to study the reports or who have watched the progress made in the light of the Paley report, will agree with the statements which I think can be inferred from Mr. Kirkpatrick's address, namely that in the long term future lead and zinc from our country have a very considerable place in the world commodities market. Then Mr. Kirkpatrick goes on to say this:

However, it should be noted that, in view of the known resources of ore throughout the world, in relation to expected consumption, we do not anticipate a return to the peak metal prices obtained from time to time during the early 1950's . . .

To prepare for the proposed operations at Pine Point, and to extend the Trail plants to treat all resulting concentrates, will require direct investment by Pine Point Mines Limited and Cominco estimated to total in the order of $40 million.

That is very much along the lines mentioned by the minister. As the minister has intimated, by giving the analysis of the agreement, I do not think this large company is prepared to spend some $20 million for the railway and $40 million in development unless it has a fairly good assurance that it has a sufficient ore body there, that it requires the produce from the ore body at its Sullivan mine to make this a sound and economic operation, and not only for the purpose of enhancing to some extent existing operations but certainly to make sure that they are carried on in an economic way.

I personally do not hold any special brief for the Consolidated Mining and Smelting Company or for Pine Point Mines nor am I opposed. Large commercial concerns must be expected, I suppose, as one of the by-products of our system but if kept within the bounds of propriety and good management, they must be accepted. But certainly this company, having expended this money, having opened up this property, having indicated its willingness to make these further expenditures, I think it is good business on the part of the government of Canada to make sure this is done by proceeding, as it has done, within the four corners of the bill.

Before I leave this matter there is one other subject I should like to discuss with regard to the Pine Point operation. I recognize the fact that at the present time it is probably essential that the operations of the mine should be limited to mining and the shipment of concentrates to Trail. However, I hope that in the not too distant future, after proper consideration has been given to the economics of transportation as regards the shipment of concentrates as opposed to the shipment of finished product from the smelter, this company itself might well give some consideration to the establishment of a smelter at Pine Point. This could mean a city of some 15,000 to 25,000 people. At a time when unfortunately we have lagged so far behind the Soviet union in its program of northern development, I would think it most desirable, wherever possible, that through a reasonable measure of decentralization we should work towards the establishment of concentrations of population in the north. If we are going to keep this north country of ours we shall have to make sure that it does not go by default. The establishment of such a smelter might have some effect in accelerating and expanding further explorations in the Northwest Territories so that mine operations which might have otherwise been uneconomical because of the necessity for the shipment of concentrates over a great distance, might well come over the borderline and become economic if there is a custom smelter at Pine Point. I make my submission at this time so that it may in the future receive some consideration.

I mention the fact that there were other aspects of this railway in addition to the mining operation at Pine Point. It was my pleasure to be home during the brief summer recess. Owing to the fact that my constituency covers almost a third of the province of Alberta, I was not able to get around as much as I should have liked. However, I made it a point to go to Pine Point, the Mackenzie highway and into Yellowknife, with particular regard to the impact the proposal to build this railroad was having and would have in the future on northern development. I found there a spirit of optimism. We in the north like to think we have more optimism than others. We like to think that we are the country of tomorrow more than is any other part of Canada. I found that spirit more prevalent today not only because of the wonderful crop we have had but because of the fact that the people of my country have now learned that there, at long last, is a government prepared to give effect to their aspirations and their logical and legitimate request, and which has decided firmly and irrevocably to proceed with this great project. I found up and down the Mackenzie highway evidence of new businesses which had come

into existence, indications that new communities will spring up. Farmers who have existed for many years faced with the prospect of having to haul their produce hundreds of miles now see a railroad coming close to them. I spoke to one farmer who told me he went up there 35 years ago waiting for this railroad. Today the survey stakes pass within one half mile of his window. He told me that each day he walks out to examine these stakes. To him this is a dream come true, or a pledge redeemed.

This country offers a potential in agriculture far beyond what was ever conceived. I had an opportunity to speak to the management of one of the experimental farms in our area which has been conducting a most interesting innovation in connection with the provision of community pasture. Nobody yet knows what is the true potential acreage of agriculture in the area which will be tributary to this railway. The best figures I have been able to obtain coincide somewhat with those given by the minister, that there are somewhere between 6 million and 8 million acres of arable land, some 4 million to 5 million acres of what is called doubtful arable land, and some 15 million or 16 million acres of what is described as bush or woodland.

If this innovation which has been carried out by the experimental farm proves successful—and I saw evidence to indicate that it will be—then what I saw leads me to the firm conclusion that there is available in this district north of Grimshaw millions of acres of land which could provide summer pasturage for great herds of cattle. We have just passed through a very difficult period of drought in western Canada. In the light of the expanding population, in the light of the requirements of our people and of the peoples of other parts of the world, it is my firm belief that in the future the country which lies north of Grimshaw will, on the basis of the livestock population, provide an area of settlement and development for many, many thousands of farmers.

I suppose I may be accused of being naive and of making arguments which are farfetched, but when we hear talk at this time of many billions of dollars being expended in weapons of destruction I think it is a mark of courage, a mark of significance that our government is prepared at this time to pledge its belief in the future by this comparatively modest contribution. I say that because the contribution is modest in the light of the moneys which are being voted by other governments for purposes of destruction. It is a mark of courage and significance to open up this great area lying between Grimshaw and Great Slave lake so that the agricultural products, the products of the lakes and of the forests will be available to be devoted in the interests of peace when we have learned to adapt and fashion our methods of trade so that the unaligned nations will be the recipients of this produce.

I think it is significant that today when the Right Hon. Prime Minister (Mr. Diefenbaker) had occasion to speak about the centennial, he made several observations which to me are quite important in relating to this particular bill. The Prime Minister referred to what happened during 1867 and shortly thereafter—the march to the west. I think it would be remarkably significant and related to our centennial observations if, when we come to observe them in 1967, we find we have come to the point where because of the march to the north we have added to Canada the equivalent of another vast empire of productivity. This railroad, I submit—and I think it will be shown—will be the catalyst which will bring it about. This will probably be one of the brightest jewels in the diadem of our centennial observations.

Mr. W. M. Benidickson (Kenora-Rainy River): Mr. Speaker, this is not for me a local issue. It is a national issue because it involves progress on a level comparable to those large national developments which have concerned us in more recent days. I refer to the St. Lawrence seaway, the Cape Breton causeway, the Kitimat development, projects that are to be compared with those that concern Canada today in the Saskatchewan dam, and some other developments to which people in parliament have devoted their attention on a national basis.

I am prompted to make a few remarks tonight upon second reading of this bill because I talked within the last few days to one who had a very personal interest in it. I refer to our esteemed colleague, the hon. member for Mackenzie River (Mr. Hardie) who unfortunately is not able to be with us. He is one of those who wanted to see an advance of this kind develop post haste, without too much controversy perhaps as to route.

I felt that the hon. member for Peace River (Mr. Baldwin) was always capable of making a very good speech. However, I must say I thought he spoke tonight with some embarrassment, and perhaps even humiliation, because I think the arguments of the opposition are valid when he considers the elements that contributed perhaps to his election and to the election of others in Alberta in 1957 and 1958. I say that because there has been delay and confusion in the policy of this government with respect to the development of this very important Canadian National Railways system for national development.

I do not need to refer to the campaign speeches the Prime Minister of this country (Mr. Diefenbaker) made in 1957. It was clear then that he was not expecting any help from others in the development of the north. He said, "We will build a railway". As it turns out, after their stomping around the country, four and a half years later, as hon. members on the government side have reminded us, we are only now getting some suggestion through a legislative bill that authority is available for going forward with this railway. If we have any doubt about the forthrightness of this government, irrespective of election campaigns—

An hon. Member: You have no idea.

Mr. Benidickson: —let us look at their sincerity in speaking to parliament. I refer to the speech from the throne of May 12, 1958. This government talked about a royal commission. They were passing the buck. This government, enthused with the vote it had received from the Canadian electorate, said:

> In order to promote our national development on the frontier in the north you will be asked—

That is, we in parliament would be asked:

> —to authorize the construction of a railway to Great Slave lake. My ministers regard this as a major step in the establishment of productive industry on an economic basis in the Northwest Territories.

What was the economic climate at the time of the speech from the throne on May 12, 1958? It was the lowest it had been since the end of the second world war, though we have had it lower since under the Conservative regime. What has happened? After that great statement, after the endorsation which they received, we got, on December 20, another refresher, Oh, there were palliatives and aspirins given with respect to this in the meantime. On December 20, 1960, the Minister of Finance (Mr. Fleming) felt that he would emulate the great record of the late minister of trade and commerce, the Right Hon. Mr. Howe by putting forward certain proposals for economic advancement at the right time. And he said as reported on page 1023 of *Hansard*:

> We are also proposing to commence a number of specific major projects which will lay the groundwork for the resumption and acceleration of the long-term growth of our natural resource industries.

That was on December 20. That was after the Minister of Justice (Mr. Fulton) had said in 1960 that we were just about to give this fillip to the economy. This was after the speech from the throne of 1958, part of which I have recited; and I have no hesitation in saying that this is a government of talkers, not of doers in the economic field. They are expert chiefly at procrastination and indecision with respect to economic matters.

In so far as this bill is concerned I should like to ask a question or two. What was there from the beginning to have prevented this government from asking the Canadian Pacific Railway which, I think, has ultimate ownership of the primary mining entity in the area, to build this line? To what extent did the government pursue that line of investigation? In the second place, I would ask: is this, as so many speakers up to now have described it, a subsidy, or is it a capital investment made on behalf of the people of Canada with the idea that it will be good for Canada and likely to pay off? My third question is: if this is a subsidy in the opinion of the government, why should the government not implement a policy of taking, in partnership with those others who contribute to the advancement of the economy, equity stock in the Pine Point railway? Everybody else who invests in such things aspires ultimately to some share of the capital stock. I should also like to know whether or not this so-called investment by the railroad—or is it the government?—includes concessions for freight rates which will ultimately be assessed against the railroad. I have experience of a natural resource development in my riding, a development of extreme importance, and I refer to Steep Rock Iron Mines. While the company did not, as I understand it, contribute directly to the capital investment involving improvements to the railway line, as a result of the traffic to be produced there was ultimately a moral obligation on the C.N.R. with respect to the rate per ton which would be charged by the government-owned railroad on the iron ore transported to the lakehead for distribution. I understand that arbitrarily the C.N.R. has increased that rate by 25 per cent. Is there anything of that kind involved here? I think the minister should give us some assurance as to the relationship between guaranteed tonnages, if any, and the capital investment which either the government or the C.N.R. are prepared to make with respect to this railway. I think it was significant for the minister to have said that in certain circumstances certain variations might occur in the future.

According to information I have received I believe there is a possible ore tonnage of 120 million tons involved in this development. I do not think the minister said anything to indicate what the economists of either the government or the C.N.R. consider to be a firm estimate. I am well aware that promoters of mining enterprises sometimes get a little excited, a little enthused as to the prospects

of the property in which they are interested, and conscientiously enlarge their estimates of what they think the nearby or ultimate production will be. I have heard estimates that the ultimate production of this resource may be as much as $2½ billion. This amounts to between 17 and 20 per cent of our present national debt, so we are talking about something which is of very great importance.

But I come back to the question of timing, judgment and leadership. I say to the hon. member for Peace River (Mr. Baldwin) who is not now in his place—

An hon. Member: He is over there.

Mr. Benidickson: I see him. I say to him that he cannot repeat himself too often. He cannot say to his electors that this is imminent and to be done at once when we hear tonight—and I questioned the minister about it—that completion of this enterprise which has been talked about so much on political platforms cannot be expected until 1966. I said "Oh," and the minister confirmed that it would not be completed until 1966. The hon. member for Peace River was interviewed by the Edmonton *Journal* on December 5, 1960. Of course, he forgot about the delay which had taken place. That statement in the speech from the throne did not suggest for a moment that any royal commission would be intervening. However, he said that we could expect completion of the railway within two years. That was in December, 1960. It is now almost December of the year 1961. While it was not mentioned by the Minister of Transport, before we proceed to pass this bill we and the people in the area concerned must have a more detailed estimate of progress not only in connection with the survey which parliament has already approved but with respect to final completion. The government has information from the company on its files as to its intentions with respect to completion of the mill and its readiness to have available traffic for the railway and the government which apparently, under this bill, is guaranteeing certain losses. That information must be given in committee before the bill is finally passed. This is of great consequence to the people who reside in this area.

The Minister of Transport, as a member of the government, is very respectful of northern mining. In my dealings with the mining fraternity I have found them to be generally very fair, extremely knowledgeable and—if you will permit me Mr. Speaker, —very conservative in their approval of activity in this parliament not only under the former but under the present administration.

[Mr. Benidickson.]

With respect to the Pine Point railway may I quote from an editorial which appeared in *The Northern Miner* of April 27, 1961:

> Consistency of word and deed is also imperative. We have a government which encourages the people at large to think that there is something shameful about foreigners, like Americans, developing our natural resources, and which has given mild verbal urgings to Canadians to do the developing themselves. Yet when an opportunity to have a big mining project like Pine Point developed 100 per cent with Canadian talent, money, and ownership, where is the government? Is it mired to the knees in the muskeg of indecision?
>
> Another point: the country could very well do with the extra employment that development of this new mine would provide. Why, then, wait any longer?

This article appeared in April, 1961 after this same publication had pointed out that in 1958, in the speech from the throne the government indicated there was to be no royal commission, no equivocation, that it was going forward just as had been suggested in the election campaigns of 1957 and 1958. Even this evening we are denied answers to the question "How soon will this railway be complete?" except that we might take the answer of the minister, 1966, after another election.

But what about the survey? Parliament has previously taken an attitude with respect to survey expenditures. How far toward completion is the survey? The hon. member for Edmonton West (Mr. Lambert) said that the idea of delay and confusion existed solely in the mind of the hon. member for Laurier who made an excellent speech. I am sure the people of northern Alberta will not welcome that kind of criticism from the hon. member for Edmonton West in reply to a speech made by the hon. member for Laurier who indicated the desire of this party to get on with this project which means so much to Canada as a whole and is equivalent to some of the projects that were undertaken on timely occasions by the previous government, to which projects I have already referred and which were undertaken at a time when unemployment required that kind of stimulus.

Mr. Baldwin: Mr. Speaker, I rise on a point of order. If it is possible for a humble backbencher to be misquoted, may I say that the quotation attributed to me to the effect that I said this railway would be built and completed within two years from December of 1960, is not a correct statement and is one I did not make.

Mr. Benidickson: Mr. Speaker, I accept the hon. member's correction but I think both you and he will know that I have in my hand a photostatic copy of the Edmonton *Journal* of that date.

Mr. W. C. Henderson (Cariboo): Mr. Speaker, I should like to say a few words with respect to the railroad leading to the north country. I did not blow in at the tail end of the storm as did my friend the hon. member for Kenora-Rainy River who just addressed us. I know something about the north. I have lived there for over 40 years.

Mr. Benidickson: We refer to Kenora as northern Ontario.

Mr. Henderson: Just recently I flew over that part of the country where the proposed railway will be built. This is a part of a country that contains the world's largest deposits of that kind of mineral. These vast reserves await development. The proposed railway will serve the 8,000 people who now live in the area. If the refinery is constructed there will be a city there with a population of between 25,000 to 30,000. We need that type of development in the north.

The part of the country to which I am referring is not like this part of the country. That area is filled with opportunities for people to make fortunes. The same opportunity awaits the railway. It will be of real value. I am surprised that people like the hon. member for Kenora-Rainy River should knock and buck a project of this nature which could lead to prosperity that would benefit the whole economy.

The north country is the richest land there is in Canada; there can be no argument about that. The area I referred to is adjacent to the Peace River country. In the Peace River country there exists the richest farmland in Canada. In the southern part there are 8,000 acres of arable land awaiting development by farmers who are not afraid to work.

I believe that the Pine Point railway is the key to the development of this area. The people there are waiting for it and I believe they will see it come into existence. It has taken this government, a government with a vision, to implement this project. The former government was too scared, and it just dreamed. This is a government that gets out and does what is necessary.

I do not intend to speak at further length because I know other hon. members wish to participate. My friend the hon. member for Peace River (Mr. Baldwin) really knows this part of the country and has laid it on the line. He has told the true story about this project and because I know of its value I am all for Pine Point railway. Thank you.

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I think I could echo the words of the hon. member who has just taken his seat. Indeed, I believe that every hon. member of the house would echo those words. We all are "all for the Pine Point railway", but some of us believe we also ought to consider the Canadian taxpayer.

It is a rather extraordinary thing for the minister to be asking for the approval, even in principle, of a bill when he admits that the survey on which the estimate will be made as to the cost of the railway has not yet been completed, and when it is perfectly obvious that after four years, notwithstanding the hyperbole of the hon. member for Cariboo (Mr. Henderson), this government has no information on whether to jump into the water or keep its clothes on with respect to this railway, although it promised it four years ago. It does seem to me extraordinary that even after those four years of promises there is so little concrete evidence in what is before us. We do not know; the minister does not know what this railway is going to cost or even what the estimate will be if it is built.

The minister says that an agreement has been made with Consolidated Mining and Smelting Company and its subsidiary and the Canadian National Railways to build this railway. He used a word which is not normally in my vocabulary. He said that it was finalized. Well, I suppose that means they are all agreed on it but we in parliament are not allowed to know what is in it. I cannot believe that there is any security of the state involved. There may be a good deal of security of the treasury involved in it but I do not think there is any security of the state involved in that sort of thing. Surely if this agreement has been made, if it is a firm agreement, we ought to know about it before we are asked to vote on this bill. If it is not a firm agreement we should not be approving this bill even in principle, because we are approving something that may be something quite different from what we think we are approving, as the government discovered when they rushed down to Washington and signed that treaty in the dying days of the Eisenhower administration when they thought they had the premier of British Columbia on the hook. We now find that someone else is on the hook. Nothing at all is going to happen for a very long time to come because of the bungling and mismanagement. There either has been bungling and mismanagement in this matter or there has not. We do not know because the government will not give us the facts. One cannot help suspecting, sir—and when you do not know all you can do is to suspect—that they do not know themselves, because surely if they did know they would be only too glad to tell the world that they had made a good agreement.

I am from Missouri, sir—

Mr. MacEwan: Moved again, eh.

Mr. Harkness: I thought it was Manitoba.

Mr. Pickersgill: —metaphorically speaking. I am also from Manitoba, where from the time the Tory government was defeated in 1915 until very recently we had the most prudent governments financially in that province, and perhaps that rubbed off a little bit on the rest of us. We who lived in Manitoba wanted to know what things were going to cost and what return we were going to get before we laid out our money.

Mr. Benidickson: That even included Mr. Bracken.

Mr. Pickersgill: One cannot help having the sneaking suspicion which was voiced by my hon. friend from Kenora-Rainy River that if this railway was really going to be as profitable as the hon. member from Peace River (Mr. Baldwin) and the hon. member for Cariboo (Mr. Henderson) hope—and we all hope it will be—the C.P.R. which owns the biggest chunk of Consolidated Mining and Smelting Company, and therefore the biggest chunk of this new mine and is still in the railway business, would be in there with both feet. It would be in there trying to build the railway itself.

The minister ought to tell us why the C.P.R. is not doing it and why instead the treasury of Canada is going to be doing it, because the C.P.R. is supposed to be a great exponent of private enterprise, adopting the words which the Prime Minister (Mr. Diefenbaker) uses in a rhetorical sense but in no other sense that I have ever been able to discover. The Canadian Pacific is supposed to be a great exponent of private industry and a great opponent of public transportation concerns and very anxious to compete with them and push them aside, as we have seen recently, and the government has co-operated in that kind of effort in recent times.

Here is a great chance for the Canadian Pacific to go in and engage in private enterprise, develop its own resources and get the gravy of carrying this ore. Oh, I suppose it would not be a gravy train but at any rate if this—

Mr. Benidickson: A lead train.

Mr. Pickersgill: One fears that it is a lead train. We ought to know as nearly as one can predict what 20 years from now the balance sheet of this operation is going to look like. I think this is of great importance, sir, because the estimate of the cost that the minister has put in the bill amounts to $86 million and some odd. Well, I remember the greatest explosion that we have had in this parliament since I have observed it over the advancement of $80 million, all of which is going to come back to the treasury—this is as certain as anything in this world—with a very good rate of interest. This was the loan to the pipe line, to build a great enterprise which was going to cost four or five times that much and spread across the whole country. Here we are talking about $86 million of which up to $20 million may be recovered from this mine. Reading the language of the bill I say "May be".

Mr. Benidickson: Based on freight rates.

Mr. Pickersgill: Based on freight rates. We do not know at all what we are talking about in this measure.

Mr. Starr: Sit down, then.

Mr. Pickersgill: As a matter of fact, not so very long ago at a meeting of a committee which has reported, and therefore I think we can quote properly from its proceedings we were told we would know something about this. I refer to the committee on railways, air lines and shipping and the minutes of proceedings and evidence of June 20, I think it was. At any rate I can give the page number. I asked the president of the Canadian National Railways or the gentleman who from day to day continues as the president of the Canadian National Railways and who is treated in that disgraceful way by this government, this question:

> Could I ask Mr. Gordon a question at this point? Is there any provision here for the Pine Point railway?

I was referring to the planned expenditures for new works for this current year. Mr. Gordon replied:

> This is an item on contingent for branch lines. I will complete this later, Mr. Pickersgill, and I will pick it up in a moment.

This appears on page 380. Mr. Gordon went on to discuss something else and then he came back to this subject at page 381. Perhaps I should say I came back to it and said:

> I would like to ask Mr. Gordon with respect to the Pine Point railway. I recognize that has not yet been approved by parliament. Since there has been a $10 million amount put in the capital budget, I would assume that the C.N.R. has some policy about it. There is one point which troubles me very much. I understand that this line will connect with the line which the C.N.R. operates into Edmonton.
>
> Mr. Gordon: No, it will connect with the Northern Alberta railway. I have just been thinking on what I said about that $10 million. I may have left a mistaken impression. I do not mean by that that the C.N.R. necessarily is going to put up any money for the building of that line.

A little later on I went on to say:

> The point I am on is a quite different one. I understand the principal reason for the building of that line is to carry ore from the mine to the smelter at Trail. When that ore reaches Edmonton there will be a haul between Edmonton and Calgary—and assuming it goes that way—and I am

being hypothetical about this, and if I am wrong I would like to be corrected and will not waste the time of the committee—

You will see, sir, that I am always very concerned not to waste time. I continue:

—between Edmonton and Calgary there are two alternative ways for shipping it, one by the old Grand Trunk Pacific line, and the other is by the C.P.R. I think it would be very helpful to us, in considering the legislation in the house, if we knew whether there was any understanding between the railways about how that ore will be shipped.

The Chairman: That resolution is before the house, is it not—the resolution is on the order paper now?

Mr. Pickersgill: Yes.

Mr. Gordon: I just wanted to confer—

Mr. Harkness: That is the best speech you made during that committee meeting.

Mr. Benidickson: You were not there.

Mr. Pickersgill: I continue quoting:

Mr. Gordon: I just wanted to confer with the minister, because this is a matter which is pending and I did not want to make the mistake of anticipating what may be said with regard to legislation. On the point you have in mind, it will be covered, as I understand it,—

I would ask the minister to recall these words.

—in an agreement which is now being negotiated between the company and the railway.

Mr. Pickersgill: I see.

Mr. Gordon: We hope that by the time the legislation reaches you, you will also be able to see that agreement.

Now, this is what Mr. Gordon said after conferring with the minister. Hon. members who were there will recall that he turned to the minister and they had a whispered conversation before he gave his answer. Then the report continues:

Mr. Pickersgill: I just wanted to be sure the C.N.R. had got a fair deal in this matter.

I think everybody in the house wants to be sure of that. We also want to be sure that the taxpayers of Canada, who not only pay Canadian National deficits but who will be expected to pay the interest on the money that is being used in the building of this line, know where they are going and whether or not there is going to be any real return commensurate with the cost.

Now, everybody agrees that there are times and circumstances when these capital expenditures by the state are necessary for development purposes and that the direct return from the line is not the only way in which there is a return to the taxpayers and to the nation. We all know that. We also know that in the history of this country over the last 125 or 130 years, the taxpayers' money has been put into railways which have returned nothing either to the investors, the taxpayers, or to the nation, comparable with what was put into them. I do think, sir, that in the dying days of this session there is no need to rush this bill through, especially when we do not know what the facts are. If the minister has the answers to all these questions that have been put by the hon. member for Laurier (Mr. Chevrier), by the hon. member for Kootenay West (Mr. Herridge) and by the hon. member for Kenora-Rainy River (Mr. Benidickson) and which I have endeavoured to sum up, and if the answers are clear, precise and certain, not based on a lot of hypotheses, a lot of ifs and buts and not based on the kind of agreement the Minister of Finance (Mr. Fleming) and the Prime Minister (Mr. Diefenbaker) thought they had with the premier of British Columbia before they signed that Columbia treaty, then we would like to have those answers. We would like to save the government from falling on its face again in this matter as it did in that. After all, it is the government of Canada and, although they might be our political opponents, we do not like to see them making themselves ridiculous as they have been recently over the Columbia and as it appears they may very easily do over this measure.

It does not seem to me, sir, that we would be delaying much. Heaven knows, there has been delay enough on this matter already as the hon. member for Kenora-Rainy River pointed out. No one wants to delay it any further, but we would like to get precise answers. If we cannot get precise answers and if we put through legislation to make a temporary impression upon the public, they are going to be disillusioned again. On the other hand, if we had a deal whereby Consolidated Mining and Smelting Company is going to get a railway company built to carry this ore on which they will make a profit while the taxpayers of Canada incur a steady and continuing loss, we should know about that before we vote on this proposal. It does seem to me there is something to be said for someone raising a voice in this house on behalf of the taxpayers of Canada.

Mr. Speaker: I must inform the house that if the minister speaks now, he will close the debate.

Hon. Leon Balcer (Minister of Transport): I must say at the start of my remarks that I am certainly surprised to hear this kind of attack from the hon. member for Laurier (Mr. Chevrier), the hon. member for Kenora-Rainy River (Mr. Benidickson) and the hon. member for Bonavista-Twillingate (Mr. Pickersgill).

Mr. Benidickson: About delay?

Mr. Balcer: No, about this agreement. During the time that these gentlemen were in

power, not once did they produce any agreements between the Canadian National and any mining company or other company for which a branch line was being built. Practically for the first time in the history of this parliament, we are going to give to the committee the full agreement entered into by the Pine Point Mines, the Canadian National and the government of Canada. The committee has got to have everything in detail, the contract, the tables of the various freight rates that are going to be charged, the various undertakings by Pine Point Mines and the Canadian National.

Mr. Benidickson: Will we adjourn so we can read that?

Mr. Balcer: You will have that in the committee because this bill is going to be sent to committee. As I said this afternoon, the agreement will be in the hands of the committee; the experts will be there and all the members of that committee will be able to ask questions and to study the freight rates in edtail. This will be the first time this has detail. This will be the first time this has ever happened in the history of this parliament.

I know the hon. member for Bonavista-Twillingate is trying to bring a cloud of secrecy into this debate, is trying to raise certain doubts about this bill. I believe the bill is absolutely clear. We have stated very clearly, through our officials, what this great undertaking is going to cost. My hon. friend says we should not bring the bill forward at this time, but that we should wait until the next session. He suggests we should wait until the survey is terminated and we know exactly how much it is going to cost. This is what he said a few minutes ago; but ten minutes before that his deskmate was blaming us because we had taken so long. They should get together in their criticisms. I think, Mr. Speaker, that in connection with this great undertaking the government has been acting with logic.

First of all, we made a decision that we should go ahead with the building of this railroad and that decision was announced in the speech from the throne. As I explained earlier we were being subjected to tremendous pressure from people who wanted this railroad to follow a certain route. There were extremely strong arguments being made on behalf of both groups. We even had the Alberta government receiving a report from a commission stating that the eastern route would be better, and so forth. The government did not want to impose anything on the people. We wanted to have a fair inquiry, and for that reason we appointed a royal commission. We had to wait for the royal commission to study the problem and recommend a route. As soon as this was done, the government acted and that is the reason this survey was started. The survey is going extremely well. We are going to have a final report in December. However, the government was not going to sit and wait for these engineers to complete the survey, and for that reason we introduced the bill, which follows the usual practice of setting an estimate for the cost of building this line. Of course this bill is different from the ordinary branch line bill. Of course it is for a different railway, in a different part of the country and for a different purpose. This is the kind of bill which makes provision for the development of the country. As my friend the hon. member for Bonavista-Twillingate indicated, it might not be an economical undertaking or produce results in the first year or cover all the expenses in the first few years of operation. On the other hand I can assure you, Mr. Speaker, that this bill will be accompanied by an agreement which will be based on the various stipulations contained in clause 6 which states the principles on which the agreement will be entered into and also the various conditions that will be required of the various parties to this agreement. These conditions are quite clear. The principles are set out. I think it will be a good deal for Canada and also a good deal for the Canadian National Railways.

A few moments ago my hon. friend asked where the traffic is going to be routed. Clause 6 paragraph (c) provides as follows:

> (c) for the routing, in a manner satisfactory to the company, of the railway traffic originating at or from the properties of Pine Point Mines Limited at Pine Point and moving by railway to any place or point beyond the southern terminal of the railway line, for the purpose of ensuring to the company—

That is the Canadian National Railway Company.

> —an equitable share of such traffic.

I can say now—and my hon. friend will see it in the agreement—that the traffic between Edmonton and Calgary will be carried exclusively on the C.N.R. lines. I therefore think it is absolutely unfair to say that this bill is giving certain advantages to the C.P.R. and that the government is giving some unfair advantage to the C.P.R. On the contrary, I can assure the house that the agreement that has been entered into is the result of extremely tough discussions between Cominco, Pine Point, the C.N.R. and ourselves. The committee will also find that the C.N.R. is not going to have one cent of operating deficit out of the whole operation of this undertaking.

I think it is quite an achievement. I think it is fair to the crown company. I also think that the government, by forcing the C.N.R.

to take over the operation of this line, are not at the same time imposing an unfair burden on our crown company. On the contrary, I think it is a tremendously good situation for it. It will be a profitable undertaking for the crown company. It is going to be a profitable undertaking for the long range welfare of that whole area and for the whole of Canada.

Mr. Chevrier: May I ask the minister a question?

Mr. Balcer: Yes.

Mr. Chevrier: During the course of my remarks I had something to say about the cost and the minister did not deal with that matter. Can the minister indicate why there is a discrepancy between the original amount of $50 million to $55 million which, as I understand it, was estimated by the Canadian National Railways, and the amount of $86 million?

Mr. Balcer: All I can say at the present time is simply this. My officials, after taking into account all the various factors they had at their disposal, came to this conclusion. As I said earlier, the survey is not finished or anything like that. This was the figure that was given to me by my officials after consideration of the various factors at the present time. It is, or course, always rather difficult to make a proper estimate so far in advance on such a major undertaking. However, the estimate at the present time is $75 million with 15 per cent added for contingencies. As to the reason the figure has gone from $60 million to $75 million, I may say that it is simply that my officials have made a more complete study of the matter and have come to the conclusion that we should include in this bill $75 million plus 15 per cent for contingencies in order to make sure that we give parliament a fair estimate of this cost.

Mr. Chevrier: Am I accurate in saying that the amount estimated by the Canadian National Railways in 1957 was $50 million to $55 million?

Mr. Balcer: I was under the impression it was $50 million but I will not disagree with the hon. member. As I remember it, the latest figure was $60 million.

Mr. Herridge: I should like to ask the minister one question. Will Consolidated Mining and Smelting Company and Pine Point Mines Limited be allowed to consider the payment at up to $20 million to the government of Canada in connection with the building of this road when calculating income tax? In other words, will they be allowed to deduct that amount as a cost of operation?

Mr. Balcer: I shall have to check on that matter. I have an opinion of my own but I should not like to give an incorrect answer. If my hon. friend does not mind, I will get the information.

The house divided on the motion (Mr. Balcer) which was agreed to on the following division:

YEAS

Messrs:

Badanai	Lambert
Balcer	Macdonnell
Baldwin	MacEwan
Bell (Carleton)	MacInnis
Bell (Saint John-Albert)	McIlraith
Benidickson	McLennan
Bourbonnais	McMillan
Brassard (Lapointe)	McPhillips
Browne (Vancouver-Kingsway)	McWilliam
Bruchesi	Martin (Timmins)
Cadieu	Martineau
Campbell (Lambton-Kent)	Matthews
Caron	Meunier
Carter	Milligan
Cathers	Monteith (Perth)
Chambers	Monteith (Verdun)
Chevrier	Morissette
Clancy	Muir (Cape Breton North and Victoria)
Comtois	Nesbitt
Cooper	Nielsen
Crestohl	Noble
Crouse	O'Leary
Dinsdale	Pallett
Drysdale	Parizeau
Dubois	Pascoe
English	Payne
Fane	Pitman
Flemming (Royal)	Pratt
Forbes	Pugh
Forgie	Rapp
Fournier	Regnier
Fulton	Ricard
Garland	Richard (Ottawa East)
Gundlock	Rompre
Hamilton (Qu'Appelle)	Simpson
Harkness	Slogan
Hellyer	Southam
Henderson	Spencer
Herridge	Starr
Horner (The Battlefords)	Tassé
Kennedy	Thomas
Kindt	Valade
Knowles	Webb
Korchinski	Weichel
Kucherepa	White
Lahaye	Winkler
	Wratten—93.

NAYS

Nil.

Motion agreed to, bill read the second time and referred to the standing committee on railways, canals and telegraph lines.

CIVIL SERVICE ACT

The house resumed, from Thursday, July 13, consideration in committee of Bill No. C-71 respecting the civil service of Canada—Mr. Fleming (Eglinton)—Mr. Chown in the chair.

The Deputy Chairman: When the committee rose on July 13 we were considering clause 7 of the bill and the proposed amendment of the hon. member for Ottawa East.

On clause 7—*Consultation with staff organizations.*

(Translation):

Mr. Caron: Mr. Chairman, I understand that the government has amended Part I of Bill C-71 as proposed so that it may seem a little more attractive to civil servants.

Subsection (1) of section 7 reads as follows:

The Minister of Finance or such members of the public service as he may designate shall from time to time consult with representatives of appropriate organizations and associations of employees—

It is further stated in subsection 2:

The commission and such members of the public service as the Minister of Finance may designate shall from time to time consult with representatives of appropriate organizations and associations of employees—

Then, in subsection 3:

The commission and such members of the public with representatives of appropriate organizations and associations of employees—

I quite agree that it is an improvement over the first bill. On the other hand, that is exactly the opposite of what the civil servants' associations have been asking for. They asked for the right to bargain at any time and not only when the minister would deem it proper to call them in. All the associations agreed on that point; they asked for the right to bargain directly. They insisted on the right for civil servants to open negotiations with any representative of the government whom the Minister of Finance (Mr. Fleming) may care to designate. We raised that point in the committee but that did not seem to please the government's representatives.

It was claimed that this would perhaps deprive parliament of the right to settle problems. In my opinion, the prerogatives of parliament are not involved because even if civil servants were given bargaining rights or arbitration, the funds to pay their salaries would still have to be voted by parliament and if the latter did not approve them, there would be no question of salary increases.

It was also submitted that such a thing could lead to claims for the right to strike on the part of civil servants. Well, we know that, before the committee, representatives from the different civil servant associations clearly indicated that they were opposed to the right to strike, except the Canadian postal employees association which requested that right.

As a matter of fact, I wonder why it is said that there is danger that some day the civil servants will decide to strike, because neither in the existing legislation nor in the former act, chapter 48 in the revised statutes, nor in the present amendments, do I see anything forbidding them to strike now. Well, when something is not forbidden, it follows that it is allowed, but the civil servants have no intention of taking advantage of this situation to go on strike.

Moreover, we know that in Saskatchewan, government employees have the right to bargain, to negotiate directly with the government, and it has been like that for some time now. However, the employees have not made use of the right to put the government in a difficult situation. They simply benefitted by that and the government did not complain. Besides, in most provinces there are some means of forcing the government to negotiate with civil servants and even in the province of Quebec, where there is no special formula, section 5 of the civil service act provides that, when the commission is made up of three members, one of them shall be appointed upon the recommendation of the general council of employees. In this way, the employees have at least a representative on the commission to protect their interests.

Furthermore, in Ontario, under the law, a four member advisory committee has been set up; three of its members are appointed by the lieutenant governor in council according to set rules, and the fourth upon a recommendation made under the provisions of the civil service act. The rules enacted under the civil service act, also provide for the creation of a public service grievance board composed of at least three members appointed by the lieutenant governor in council.

Civil servants' associations may represent an employee who wishes to submit his grievances. Again, this is bound to improve the situation, and much better than what is now provided in the bill, because it now says: "the minister must consult, from time to time"; the minister must consult but when are employees entitled to demand consultations from the department? Never, since the minister alone can decide when civil servants may come and discuss contentious issues. But civil servants may never, according to the bill, even as amended, require that the government undertake discussions with employees of the commission and civil service associations.

In section 45 of Manitoba's civil service act, the maintenance of a joint council is provided. The provincial secretary and two

members of the cabinet represent the government; therefore, three ministers represent the government. The association appoints three members who are supposed to represent the civil servants. And, further on, it is noted that a member of the civil service commission and the executive secretary of the association may attend a meeting of the joint council and of the government in an advisory capacity. It is a great improvement on what we have, and on what the Ottawa government is now proposing.

(Text):

Mr. Bell (Carleton): Mr. Chairman would the hon. gentleman permit a question?

Mr. Caron: Surely.

Mr. Bell (Carleton): Is not the hon. member dealing entirely with grievance procedures? I believe that what he has read concerning the Ontario and Manitoba procedures deals entirely with grievances and not with processes of consultation and negotiation with which we are concerned at this time.

Mr. Caron: I think it can be said that ultimately everything relates to grievances including salary discussions. There are always grievances between the government and the employees. This has to be taken into consideration. The same body must look after all grievances relating to increases in salary and working conditions. It cannot do otherwise.

Mr. Bell (Carleton): With great respect, Mr. Chairman, I believe my hon. friend is dealing with grievance procedures and not with processes of consultation and negotiation.

Mr. Caron: Does my hon. friend believe that the desire for an increase in salary is not a grievance? Of course it is a grievance. If the employees feel they need more money they wish to submit their views to the government. They have a grievance against the government because they feel they are not receiving an adequate salary. Everything boils down to a grievance. I invite the hon. member to look at the wording.

(Translation):

In Saskatchewan, negotiations are carried out with a staff association certified as a negotiating agent, which has union status under the union act. Those negotiations are conducted on questions of salaries and other working conditions attached to positions in the classified service. Salaries for those positions excluded from the collective agreement, are established by a committee on salaries which reviews representations made by the department involved. There is a right to appeal after rates of salary have been established.

This is similar with what we are asking for. It is similar to what staff associations in our civil service are asking for. It involves the right to initiate negotiations with the government even though the minister is not willing to go into negotiations. And when negotiations are carried out between representatives of the department, selected by the department, and representatives of the various staff associations in the civil service, if they do not come to an agreement, we want some kind of an arbitration board to examine their grievances. And I take as a grievance at the present time, the fact of ascertaining whether the employees are right or wrong in demanding a reasonable salary or normal working conditions.

In Alberta, since 1923, the public service act provides for a joint council composed of three members appointed by the association and three members selected by the provincial government. Such council is the negotiating body on salaries, working conditions and grievances. The provincial secretary treasurer acts as chairman of the joint council. He is the counterpart of the Minister of Finance.

Generally speaking, agreement is achieved first at the level of the joint council whose recommendations are almost always accepted.

In British Columbia, under section 72 of the civil service act of that province, the government has to recognize a civil service association which represents more than half of all the public employees whenever questions relating to the welfare of the civil employees and their working conditions, including their salaries, are raised.

That provision does not exclude the right of appeal or discussion with one particular civil servant or a minority group among the staff.

This is the kind of association, the kind of union that is needed to satisfy the justified complaints of civil service associations, because until now they have been treated rather like second class citizens.

People say: "But how can they make such demands"?

I recall that before 1890, when workers in industry or other employees made such demands, i.e. the right to negotiate directly with their employers—they were considered as revolutionaries, or even communists and jailed. I know many labour leaders who had

to spend several weeks in jail because they had simply demanded what we are claiming now for civil servants.

But today, try and say in the labour world or elsewhere and say that the one who is claiming direct bargaining rights is revolutionary minded or a communist. No one will believe you because every human being has the right of discussion with his employer. It is a bounden right and you cannot take him to task or refuse him that right. Whether he is a factory worker or a government employee, he has that same right to try and protect through the power of an association his natural rights, and to protect himself against anyone who infringes his rights.

That is what the civil servants, members of every association, have come to ask for. They insisted. But the government does not seem prepared to grant their request. However, it is very simple, for our amendment reads as follows:

7 (1) The commission, and such members of the public service as the Minister of Finance may designate, shall negotiate directly with representatives of appropriate organizations and associations of employees of the crown, with respect to pay and other terms and conditions of employment, at the request of such representatives, or wherever in the opinion of the commission or the Minister of Finance, as the case may be, such negotiation and consultation is necessary or desirable in the interests of the civil service or the government. Such direct negotiation and consultation shall be initiated by either the governor in council, its appointees, or the appropriate staff associations and organizations noted above.

(2) Where negotiation does not result in agreement, the matter under dispute shall be taken to an arbitration tribunal by either party.

(3) The results of such negotiation and/or arbitration shall be proclaimed by a suitable instrument, where necessary subject to the approval of parliament.

Now, there is a reservation made that parliament approval is needed on all those matters of arbitration or bargaining, which means that parliament is not ignored and that its prerogatives are respected.

So, I hope the government will reconsider and understand that civil servants must be treated on the same basis as employees in all other parts of Canada and indeed the whole world. Public servants must be regarded as first class citizens like all other citizens of this country; that is all we are asking in the amendment we moved when we considered this bill at the end of June or early in July.

So, I hope the government will reconsider its stand and accept the proposed amendment in order that federal civil servants be considered as first class employees.

[Mr. Caron.]

(Text):

The Deputy Chairman: Is the committee ready for the question.

Mr. Bell (Carleton): Mr. Chairman, there is hardly time before 10.30 to deal exhaustively with the amendment moved by the hon. member for Ottawa East. That amendment is identical in terms with one which was moved in the special committee and which after careful and detailed consideration was rejected by that committee.

The hon. member for Hull I think has just been proceeding on a misapprehension. Most of what he read from procedures in the various provinces dealt with grievance procedure rather than procedures of consultation or negotiation. I want to put my position clearly in only two or three minutes so that if it wishes the committee may vote before 10.30.

Mr. McIlraith: That comes from the hon. member who took all the time on the earlier vote.

Mr. Bell (Carleton): The hon. member is complaining about time taken on the earlier vote.

Mr. McIlraith: After the opposition had indicated its approval of second reading.

Mr. Bell (Carleton): The hon. gentleman who is principally responsible for the vote being taken earlier did not even bother to remain in the house while the vote was taken. If the hon. gentleman from Ottawa West wishes to deflect me from my particular subject I will say to him that I will be only too glad to enter into a debate with him on any controversial subject that may arise. I was trying to deal in a logical and rapid way with the principle here. I want to say there is no major difference in objective or principle between the hon. gentleman from Ottawa East and myself. Such differences as do exist relate to the methods and techniques of achieving the objective. My considered opinion is that to endeavour to spell out in the act the procedures, and processes of consultation between the treasury and the staff associations may very well delay rather than expedite the achievement of mutually satisfactory processes of consultation.

I would prefer, as I said on second reading, that the processes, the techniques, like freedom, should broaden down from precedent to precedent. To be explicit in the act, to set forth the detailed provisions relating to consultation and the results which are to flow from consultation may very well

create an unsatisfactory legislative straitjacket within which satisfactory consultations might not develop.

This new experiment, this new adventure, in employer-employee relations might very well prove to be abortive before it really got started. It is on those grounds that I would ask the committee to take the same action that the special committee took, to reject the amendment of the hon. member for Ottawa East and to proceed ahead with the very satisfactory amendment to section 7 which was proposed by the Minister of Finance.

The Deputy Chairman: The question is on the amendment.

Mr. Brassard (Lapointe): I wonder whether the hon. member for Carleton will hold it against me but I should like to say a few words on this amendment. Would you call it 10.30 p.m. Mr. Chairman.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Chevrier: May I inquire from the acting house leader what the business will be for tomorrow and perhaps there will be some indication of what we will be doing on Wednesday.

Mr. Balcer: First of all tomorrow we will take second reading of the bill respecting the centennial observance of the birthday of Canada. The second item will be second reading of the bill to amend the National Housing Act. The third item will be Bill No. C-71, respecting the civil service of Canada, and the fourth item will be the resolution respecting physical fitness through amateur sport.

As far as Wednesday is concerned, I am afraid the house will have to wait until tomorrow night for an indication of the business for that day.

Mr. Chevrier: Will the house have available for its consideration the centennial bill which I understand has not yet been distributed?

Mr. McIlraith: It has not been printed and will not be available.

Mr. Balcer: Yes, it will be available.

Mr. Chevrier: Can the acting house leader give any indication of the business for Wednesday?

Mr. Balcer: It will depend on the progress made tomorrow and I am afraid I am not in a position to give any indication just now.

At 10.30 p.m. the house adjourned, without question put, pursuant to special order.

Questions

ANSWERS TO QUESTIONS

The following answers, deposited with the Clerk of the house, are printed in the official report of debates pursuant to standing order 39:

I.J.C. ORDERS RESPECTING WATER LEVELS

Question No. 293—**Mr. Chevrier:**

1. Has a supplementary order of the international joint commission, dated the 2nd of July, 1956, dealing with criteria for a method of regulation of the level of water on lake Ontario and the St. Lawrence river, been amended?
2. If so, how often, on what dates, and in what orders of the commission?
3. Have any of these orders or amendments been put into effect by the international joint commission either on lake Ontario or the St. Lawrence river?
4. Which method of regulation is now in operation?

Answer by: **Hon. Howard C. Green (Secretary of State for External Affairs):**

1. No.
2. Not applicable.
3. Not applicable.
4. Plan of regulation 1958-A. However, the international St. Lawrence river board of control, under the supervision of the international joint commission, has exercised certain discretionary authority granted to it by the commission by accumulating storage on lake Ontario this summer in temporary deviation from the plan of regulation. The additional storage has been built up for use in helping to alleviate any problem of low flows which may arise this autumn in Montreal harbour. In his appearance before the external affairs standing committee on June 14, 1961 General McNaughton stated that the board of control had been asked to keep a close watch on the river with a view to conserving water on lake Ontario in order to meet this problem of low flows. General McNaughton also announced on that occasion that the board of control was conducting a review of plan of regulation 1958-A.

SKILLED WORKERS LEAVING CANADA, 1961

Question No. 296—**Mr. Matheson:**

Does the government have any information as to the number of skilled workers who left Canada during the first six months of 1961?

Answer by: **Hon. Michael Starr (Minister of Labour):**

Statistics on the emigration of Canadians to the United States only by occupation are obtained from the immigration and naturalization service of the United States department of justice in the form of a semi-annual report which is available to the Department of Labour. The latest period for which these statistics are available is for the last six months of 1960. Data for the first six months of 1961 will be available late in November or early December 1961. No statistics are available on the emigration of Canadian workers to countries other than the United States.

HOUSE OF COMMONS

Tuesday, September 19, 1961

The house met at 11 a.m.

TRADE

ACCRA—TABLING OF COMMONWEALTH ECONOMIC CONSULTATIVE COUNCIL COMMUNIQUE

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I should like to table the communique issued at the close of the commonwealth economic consultative council meeting held in Accra, in both English and French.

Mr. Speaker: Has the Prime Minister leave to table these documents?

Some hon. Members: Agreed.

ACCRA—INQUIRY AS TO REPORTED STATEMENTS BY CANADIAN MINISTERS

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): May I ask the Prime Minister whether he has now received the texts of the speeches made at the commonwealth meeting in Accra by the Minister of Finance and the Minister of Trade and Commerce?

Right Hon. J. G. Diefenbaker (Prime Minister): I have received a copy of the remarks of the Minister of Trade and Commerce, but I have not yet received those of the Minister of Finance. I think it would be most appropriate that as soon as they return an opportunity should be given for them to place before the house what they said.

I may say in this connection, having tabled the full text of the communique, that reading the communique will, I think, put in proper perspective the statements that were made. The strongest guarantee of the future of the commonwealth is its capacity to face the facts in a straightforward manner and to do something about them. The various commonwealth members spoke very freely about the situation. Indeed, the frank views put forward by Canada and the other members of the commonwealth did not in any way seem to have been considered out of place by the United Kingdom.

I might point out in this connection that Mr. Maudling is reported to have implied in London on his return from Accra that after the preliminary discussions had taken place, or words to this effect, then consideration would be given to the convening of a prime ministers' conference. I want to get the exact words of the press report:

> The meeting had shown considerable support for a meeting of commonwealth prime ministers.

And Mr. Maudling is quoted as saying:

> I think it is very likely that there will be one.

Mr. Pearson: May I ask a supplementary question. While I thank the Prime Minister for tabling the communique, is the Prime Minister aware that the chancellor of the exchequer, who was the head of the U.K. delegation at Accra, said the other day that he did not feel the communique itself fully represented the tenor of the discussions at that meeting; and is that not an additional reason why the texts of the speeches in so far as we are able to secure them should be tabled?

Mr. Diefenbaker: I can only say that in the communique—and communiques are always accepted by all those who participate—these words appear, and I think they are the answer to the Leader of the Opposition:

> Paragraph 7: Representatives of the United Kingdom reviewed the various reasons that had led them to make the application.
>
> Paragraph 8: All other commonwealth representatives expressed grave apprehension and concern regarding the possible results of the initiative taken by the United Kingdom. They reaffirmed the value and importance they attach to traditional commonwealth trading arrangements under which most foodstuffs, raw materials and manufactures enter the United Kingdom free of duty from commonwealth countries with, in most cases, preferential advantages; and other commonwealth countries make reciprocal tariff concessions. The benefits of these arrangements accrue to the United Kingdom as well as to other commonwealth countries.

Then comes paragraph 9:

> Most commonwealth countries questioned whether the United Kingdom with its other international and domestic obligations could possibly secure in the proposed negotiations an agreement which would protect commonwealth interests adequately and effectively.

I think a general reading of the communique—I have not picked out selected portions—would indicate that there was a high degree of unanimity among the countries represented at this conference, pointing out the serious difficulties which entry into the common market might have not only on the economics of the commonwealth but also on its political constitution.

Inquiries of the Ministry

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I should like to ask the Prime Minister a supplementary question. In view of the great importance of this subject, will an opportunity be provided the house to hear the government's views in detail and to discuss the same?

Mr. Diefenbaker: Mr. Speaker, consideration will be given to the suggestion of the hon. member.

Hon. Paul Martin (Essex East): Mr. Speaker, may I ask the Prime Minister if in the statements made by the two ministers representing Canada at Accra either hon. gentleman referred to the statement made by the Prime Minister himself, following the latter's return from the prime ministers' conference in the summer of 1957, when he gave his blessing to the common market?

[*Later:*]

Mr. John R. Matheson (Leeds): Mr. Speaker, I should like to ask the Prime Minister a question arising out of the news story appearing in the *Times* of London on Monday, September 18, 1951. One sentence therein reads as follows:

> Canada, Mr. Fleming says, wants no change in the existing pattern of trade. It suits him just the way it is.

May I ask the Prime Minister whether this statement attributed to the Minister of Finance represents the policy of the government?

Mr. Diefenbaker: Mr. Speaker, that apparently was not a statement by the minister. That was a press comment on a statement allegedly made by the Minister of Finance.

NATIONAL DEFENCE

INQUIRY AS TO REQUEST FOR U.S. PLANES TO USE CANADIAN BASES

On the orders of the day:

Hon. Paul Hellyer (Trinity): Mr. Speaker, I should like to direct a question to the Prime Minister. Will the Prime Minister say whether he has received a personal communication from President Kennedy requesting permission for United States strategic air command planes to land and refuel at Canadian air bases?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, no such communication has been received.

Mr. Hellyer: A supplementary question, Mr. Speaker. Did the Prime Minister in recent weeks receive a personal letter from President Kennedy in respect to nuclear policy for Canada?

[Mr. Diefenbaker.]

Mr. Diefenbaker: Mr. Speaker, personal letters are not revealed, and my answer to the previous question is not to be taken in any way as an approbation of the suggestion inherent in the question.

Mr. Hellyer: A further supplementary question, Mr. Speaker. Would the Prime Minister indicate what the policy of the Canadian government is in respect to these matters?

Mr. Speaker: Order. I think the hon. gentleman who asked the question knows that matters of policy of that kind are not customarily declared in answer to oral questions before the orders of the day.

NORAD—APPEARANCE OF DEPUTY COMMANDER ON TELEVISION PROGRAM

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, may I ask the Minister of National Defence whether he is in a position to answer the question I asked some days ago referring to the participation of Air Marshal Slemon in a television program, I think in New York, with General Kuter?

Hon. D. S. Harkness (Minister of National Defence): Yes, Mr. Speaker. As the Leader of the Opposition knows, senior officers who accept public speaking engagements in which they deal with general defence policy are requested to submit the text of their speech to me prior to delivery.

Air Marshal Slemon appeared with General Kuter, the commander of NORAD, on an A.B.C. television network program entitled "Issues and Answers" on September 10. The program was one of a series of public affairs presentations by the American Broadcasting Company and dealt with the functioning of the NORAD combat operation centre.

The questions addressed to Air Marshal Slemon were in general factual and the answers given contained material previously approved and in no way dealt with our defence policy as a whole. Air Marshal Slemon did comment on the recent tracking of the Russian space shot containing Major Titof and stated the fact that the astronaut crossed over Canada a number of times in his earth orbits. Air Marshal Slemon stressed the fact that it was of the utmost importance that we should be able to keep track of such flights, and he stated the opinion that this required a maximum effort on the part of NORAD.

I am entirely satisfied that it was quite unnecessary in this case to obtain my prior approval and permission.

Mr. Hellyer: A supplementary question. Will the minister say whether this is a change in policy, to allow Canadian serving officers

to submit to questioning with respect to defence matters? If so, are members of this house to be afforded the same privilege?

Mr. Harkness: Mr. Speaker, in many instances when press men or in some instances businessmen interested in defence construction or manufacturing and other members of the general public visit defence installations at various times they are given briefings in regard to the operations carried on, and they ask questions which are answered by responsible officers there for that purpose.

Mr. Hellyer: Everywhere except in the House of Commons.

FN RIFLE—INQUIRY AS TO REASON FOR MODIFICATION

On the orders of the day:

Miss Judy V. LaMarsh (Niagara Falls): Mr. Speaker, I should like to direct a question to the Minister of National Defence. The minister will recall that last week when going over his departmental estimates a question was asked about the withdrawal of FN rifles for a $1 million modification. He advised the committee, as reported at page 8384 of *Hansard*—

Some hon. Members: Question?

Miss LaMarsh: —that the modification was required because of some difficulty with foreign ammunition. As found on that page, on two occasions he said that with the ammunition made in Canada there has been no difficulty whatsoever. Would the minister care to comment on a news report which appeared in Friday's edition of the Winnipeg *Free Press* and which contained the following statements—

Some hon. Members: Question?

Mr. Speaker: Order. Will the hon. lady resume her seat until order is restored? There seems to be a certain amount of protest about the question, and I have been asking myself whether the hon. member has been asking simply for a verification of the press report. It sounded at first as though she were reopening a debate which had occurred earlier. However, if the hon. member has a question, perhaps she would put it.

Miss LaMarsh: Yes, Mr. Speaker. I would ask the minister to comment on the report which indicates that the trouble is not with foreign ammunition, which has only been used in the rifles by Canadians in Germany, but rather with Canadian ammunition which is the only ammunition used here in Canada, as reported in the press.

Hon. D. S. Harkness (Minister of National Defence): Mr. Speaker, I do not propose to comment on a report which I have not seen. I made a statement in connection with this modification when the estimates were being considered, and that statement stands.

Miss LaMarsh: I wish to ask a question supplementary to the one I directed to the Minister of National Defence. Does the minister care to comment on the further report that the army said the trouble could be solved by matching rifles with their breechblocks, thus sacrificing the most important point of the FN rifle, namely interchangeability of parts?

Mr. Harkness: Mr. Speaker, first of all I think I should point out that this business of reading long extracts from newspapers and asking ministers to comment on them is out of order, as you have already pointed out on numerous occasions to hon. members on the opposite side of the house. In the second place, these various comments by newspaper writers in connection with this matter in most cases are not based on any real knowledge of the matter.

In order to put an end to this sort of thing I propose, as a matter of fact, to take a party of newspapermen down to the arsenals branch which makes the modifications and which made the rifle, and also out on the range in order to show them exactly what the situation is and how the rifle works. Following that I hope there will be no more misapprehensions about the rifle.

Mr. Ricard: You had better take the Grits.

Hon. Paul Hellyer (Trinity): Mr. Speaker, I have a supplementary question. Will the minister take a few members of parliament along with him so they may listen with interest to the minister's observations to the press?

Mr. Harkness: Mr. Speaker, I should be delighted to take the hon. member along, because he needs information more than anyone else.

TRANSPORTATION

ROYAL COMMISSION—INQUIRY AS TO SECOND VOLUME OF REPORT

On the orders of the day:

Hon. Lionel Chevrier (Laurier): Mr. Speaker, may I direct a question to the Prime Minister and ask him what progress is being made by the royal commission on transportation, and when we might expect the second volume of the report and recommendations of the commission. The Prime Minister will remember that when he spoke during the

debate on this matter some time ago he indicated that the second volume was awaited. I should like to know what progress is being made.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I can only say that I have no information at the moment. In view of the question I shall ascertain the facts.

[*Later:*]

Mr. Diefenbaker: Mr. Speaker, I should like to answer an earlier question asked by the hon. gentleman. The information asked for was when volume II of the report of the royal commission will be available. Since the question was asked I have had placed before me a letter directed to the clerk of the privy council, in which the commission advises that volume II of its report will be available in the fall and volume III, which will consist of special studies that the commission has conducted or caused to be conducted in order to assist the investigation, will follow shortly thereafter.

CANADIAN NATIONAL RAILWAYS

REPORTED EXPERIMENTAL USE OF CONCRETE TIES

On the orders of the day:

Mr. J. Edgar Fournier (Restigouche-Madawaska): Mr. Speaker, I should like to ask the Minister of Transport whether he is aware that the Canadian National Railways are now experimenting with imported concrete railroad ties?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, I shall have to get in touch with the management of the railway. I shall answer this question tomorrow.

INQUIRY AS TO APPOINTMENTS TO BOARD OF DIRECTORS

On the orders of the day:

Hon. Lionel Chevrier (Laurier): I wish to direct a question to the Prime Minister. Yesterday I asked him when the house and the country might expect the appointment of directors of the Canadian National Railways to fill the vacancies which have occurred and the new appointments which are to be made. The Prime Minister was good enough to say that would be made known in accordance with the statements made by the Minister of Transport when his estimates were brought before the house.

I should like to point out to the Prime Minister that the Minister of Transport indicated that they would be made known when the legislation authorizing these appointments received royal assent. The question I put to the Prime Minister now is this. The estimates of the Department of Transport have been before the house on several occasions. I was wondering whether there was any other date at which the Prime Minister would indicate these appointments would be made.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I made it clear yesterday that when consideration of the estimates is resumed there will be an answer to that question.

(Translation):

HOUSE OF COMMONS

REPORTED IRREGULARITIES RESPECTING ELECTION OF SECRETARY OF STATE

On the orders of the day:

Hon. Lionel Chevrier (Laurier): Mr. Speaker, I should like to direct a question to the Secretary of State. Has the minister any comment to make regarding the statements made by Messrs. C. A. Faucher and Roger Perri, former members of the Quebec liquor board police, who stated in court recently that they performed political work in the constituency of Bellechasse during the federal election of 1958?

Mr. Paul: They worked for Bruneau also.

Hon. Noel Dorion (Secretary of State): Mr. Speaker, even though I think this question is out of order, I am glad that it was put to me. This is how the presiding judge, Mr. Justice Pettigrew, cleared up the matter yesterday morning, September 18, 1961:

The court: during the week end, my attention was drawn to a Montreal newspaper report concerning the testimony of a former Quebec liquor board police member, C. R. Faucher, of Rimouski. That was at the sitting of Friday, September 15, during the Lemire investigation.

Sunday morning, after mass, I got a copy of that newspaper and I asked the stenographer to transcribe Faucher's testimony for me. Here is one of the questions the crown attorney, Mr. Bienvenu, asked him: "While you were a member of the liquor board police force and especially since 1951 and 1952, did you ever participate in election campaigns?"

Answer: Participated—that is in 1957—

The court: I insist on this date, 1957, and the witness continued: "In 1957, that is before the federal elections, I was sent on a trip in Bellechasse. Mr. Côte called me in and told me: You will meet doctor Poirier in St. Damien. Put yourself at his disposal. He said that you were to meet him there. Pick up a certain nurse by the name of Normandin in front of the Chateau Frontenac and go to the hotel where the doctor lives in St. Damien de Bellechasse. The next morning, the doctor told me that the only thing I had to do was to drive the nurse who was with me. She was going to the health units run by the nuns—

The court: Other questions by Mr. Bienvenu. Question: If it was not an election campaign. Answer: She went to give some medical aid. She told me, when the trip was over, that she had gone to see the sisters to get their vote for Mr. Dorion. I just say what she told me. I did not go in with her. End of the answer.

The judge continues and I am still quoting from the shorthand notes:

"And I, as judge, immediately stated, as it was my duty to do, that such evidence was only hearsay, that such proof was illegal, and I added that the nurse had to come herself to give evidence in that connection.

Now this newspaper states the following, and the judge quotes:

"A witness gave evidence in the court of the sessions of the peace yesterday according to Saturday's newspaper during an investigation with regard to the former liquor police chief Rosario Lemire in the 1958 election."

By the court: That fact is not correct.

And the judge continues the quotation:

"And the reverend sisters of the religious orders of Bellechasse had been solicited to vote for the Progressive Conservative candidate, Mr. Noel Dorion."

By the court: What is inaccurate, it is the year 1958. You are aware of the fact that a question of justice is involved, as I have said, and as I say again: the judge is not a partisan for one side or the other. I am here simply to discharge my duty, to see that justice is done, and that my inquiry is carried on in a legal manner.

Now I blame this newspaper for having mentioned 1958. Was it deliberate? Was it done by inadvertance? The witness did not say 1958, he said 1957. Now, in 1957, Mr. Dorion was not a candidate in the Bellechasse riding. I mention here, and it is public knowledge, that when he was elected it was the first time and it was in 1958.

And the newspaper printed a large enough heading for its report.

And the judge quotes:

"Nuns urged to vote for Mr. Dorion". This, despite the fact that I have declared that such evidence was illegal and only hearsay. The newspaper could have mentioned the evidence given by the witness but it should have added that such evidence was of such a nature that the judge could not take it into account. And you know that when someone occupies a position such as Mr. Dorion's who is a federal minister, such statements are liable to cause him rather considerable prejudice ...I thought I had to make a rectification, I don't know if we can call it that, but this goes to show you that we want justice for everyone and if, by any chance, it happens that something is reported inadvertently that is not quite in order, and would be of such a nature as to cause prejudice to a private individual, I should make the same remarks I just made in connection with Mr. Dorion. I would do the same for a labourer and for a tradesman.

Mr. Chevrier: Mr. Speaker, I thank the Secretary of State for the trouble he took in answering my question and for the statement he just made. All things considered, I am sure that he will have no objection to answering a supplementary question.

Is he in a position to tell the house that he had no personal knowledge of the participation of some Quebec liquor police officers, including Messrs. René Mercier, C.A. Faucher and Roger Perri, in the 1958 election campaign in Bellechasse?

(Text):

Mr. Speaker: Order. Before the minister replies, may I say that the question which the hon. member asked the other day and the question today, as I understand them, relate to matters outside the administrative responsibility of the minister. They are rather in the nature of a question of privilege, or an accusation against a member of the house in his personal conduct, rather than the sort of thing which should be dealt with on the orders of the day. I think hon. members perhaps recognize that. As the matter was raised, it was only proper that the minister, who was involved by the report to which the hon. member for Laurier referred, should have the opportunity to make a personal explanation, but I do express the opinion that this is not a subject to be pursued on the orders of the day because it is not a matter of administrative responsibility.

Mr. Chevrier: Mr. Speaker, the object of the question is not to pursue the matter on the orders of the day, but I would have thought as the minister himself—

Mr. Grafftey: Mud slinging.

An hon. Member: Smear.

Mr. Speaker: Order. I think hon. members would like to have this matter cleared up, and the way to do it is to give attention.

Mr. Chevrier: I would have thought the minister would be the first one to want to clear it up, as he has attempted to do on two occasions. He has made a lengthy statement, for which I thank the minister, and as he has done that my supplementary question—

Mr. Walker: More smearing.

Mr. Ricard: He wants to throw more mud.

Mr. Chevrier: —was along the same line. I simply asked the minister to comment on a statement. Your Honour has indicated by your statement a moment ago that these matters are extraneous to the proceedings of the house; but they are not in this sense, that the whole of the elections act and all the duties and responsibilities under that act fall within the jurisdiction of the minister. The question I put to the minister was a simple one, and I should hope that Your Honour would allow the minister to reply since he was about to do so when Your Honour interrupted.

Mr. Speaker: As the matter has gone this far, I do not wish to prevent the minister

from answering the question if he wishes to do so. However, I express the opinion that this question is not properly raised as a question before the orders of the day. It might be raised on a matter of privilege if any charge is to be made against a member, and it can be dealt with in the usual way. As a question addressed to the minister in his ministerial responsibility, it seems to me that it is out of order.

NORTHERN AFFAIRS

CANADIAN MARCONI COMPANY—STATEMENT ON REQUEST FOR PERMISSION TO PROSECUTE

On the orders of the day:

Hon. Michael Starr (Minister of Labour): Mr. Speaker, yesterday the hon. member for Skeena asked me whether the request by Mr. Whitfield for permission to prosecute under the Canada Fair Employment Practices Act has been granted. In reply may I say this. Mr. Whitfield wrote to me in May. No formal request was made for permission to prosecute in the manner prescribed in the act. Nevertheless the matter was referred to the officials of the Department of Labour. They subsequently referred it to the Department of Justice for an opinion on several aspects of the case. An opinion has now been received, and this in turn is being considered.

There are a number of ways in which Mr. Whitfield's rights in this matter can be determined. One method would be by recourse to the courts. There is also provision for a preliminary investigation by an officer appointed by the department, depending on whether the matter is considered to be one arising out of the Fair Employment Practices Act or one arising under the fair wages and hours of work legislation.

These matters are now in the course of study by my officials and when a determination is reached, appropriate action will be taken.

Mr. Frank Howard (Skeena): I wish to ask a supplementary question. Will Mr. Whitfield be kept advised of the progress of that study within the department, in connection with this matter?

Mr. Starr: Mr. Whitfield will be advised of the decision.

EXTERNAL AFFAIRS

CUBA—STATEMENT ON ALLEGED SUPPRESSION OF RELIGIOUS RIGHTS

On the orders of the day:

Right Hon. J. G. Diefenbaker (Prime Minister): Yesterday the hon. member for Maisonneuve-Rosemont asked me a question, as follows:

[Mr. Speaker.]

Will the Prime Minister inform the house whether the government has sent or will send a protest to the Cuban government against the suppression of religious rights and freedom, indicated by the dismissal of a number of the clergy?

The Canadian embassy in Cuba has now confirmed that nine Canadians were among the Roman Catholic priests expelled from Cuba, who sailed on Sunday night for Spain on board a Spanish vessel. Neither the Canadian ambassador nor the Canadian consul was able to obtain permission to visit the Canadian missionaries before their forced departure. The Canadian ambassador secured an interview with the acting minister of foreign affairs yesterday, in the course of which he expressed the Canadian government's concern over the arbitrary deportation of Canadian citizens to a third country without any notification or explanation, in a manner so precipitate as to deny them an opportunity to make even a minimum of personal arrangements or to communicate with the embassy.

A further report on these representations is expected today, and when this is received I shall inform the house of any further developments in this very regrettable incident.

DOMINION-PROVINCIAL RELATIONS

REQUEST FOR TABLING OF CORRESPONDENCE RESPECTING TAX COLLECTING ARRANGEMENTS

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, at the end of last week I asked the Prime Minister whether he could make available, so they could be printed as an appendix to *Hansard*, any additional letters that had passed between him or other members of the government and members of the provincial governments with respect to the tax-sharing legislation. I wonder whether the Prime Minister is yet in a position to make that correspondence available.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I have to frankly say that I have not looked into that matter since the question was asked. However, I shall at once ascertain whether further communications have passed between the provinces in question and the government, and will advise the house later.

CANADIAN CENTENNIAL

PROVISION FOR NATIONAL CORPORATION, NATIONAL CONFERENCE, ETC.

Right Hon. J. G. Diefenbaker (Prime Minister) moved the second reading of Bill No. C-127, respecting the observance of the centennial of confederation in Canada.

Mr. G. J. McIlraith (Ottawa West): Mr. Speaker, before the motion is adopted I wonder whether the Prime Minister proposes to say anything further at this stage.

Mr. Diefenbaker: Mr. Speaker, I do not wish these remarks to be considered as reopening the debate. In view of the discussion yesterday I do not think it is necessary for anything more to be said at this time. Yesterday there was a general review and a very full and comprehensive discussion of the subject. Many hon. members have views they would like to express, and naturally the house would be glad to hear them, but I feel that no particular purpose would be served by a further discussion at this time.

When the house is in committee the bill can be discussed item by item and we can consider points raised by hon. members that deserve attention. The general purport of the bill has been placed before the house, and further questions can be asked at the committee stage. The hon. gentleman assisted considerably in that connection yesterday.

Mr. McIlraith: Mr. Speaker, yesterday when the resolution preceding this bill was before the committee of the whole there was evidence of a remarkable degree of unanimity on the part of hon. members of the committee as to the subject matter dealt with in this legislation. I think that is a wholly desirable situation, and I hope it continues throughout the six years until the observance of the centennial of confederation in Canada is celebrated. It is a matter of some regret to me that the bill itself was not made available in the distribution office until approximately ten o'clock—

Mr. Speaker: I am sorry to interrupt the hon. member, but I find it difficult to hear and I am sure other hon. members have the same difficulty. Would those who have independent conversations to carry on please do so more moderately or retire to the lobby.

Mr. Martin (Essex East): Hear, hear.

Mr. McIlraith: I was remarking, Mr. Speaker, that it is a matter of regret that the bill itself was not available for distribution until this morning. I believe it came into the distribution office at about ten o'clock. I myself was able to obtain a copy when the bell rang summoning the house to meet.

In any event, I do not propose to obstruct the bill on that account. I do wish to express the thought that this legislation is of such a nature, since the subject matter is not controversial, that possibly it would have been improved had the bill been able to stand on the order paper for some considerable number of days so it could have been circulated to interested organizations across the country. The Canadian centenary council, whose minutes were referred to yesterday, is a remarkable collection of organizations throughout Canada. I am sure they would have been interested in this bill and in its form. Had it been possible, in relation to the business of the house, to have presented the resolution in time so the bill could have been circulated throughout the country, we might then have had the benefit of the views of these interested bodies.

Since that is now not possible or practicable in view of the stage we have reached in the session, I hope the bill will be viewed as one to which amendments can be readily brought forward by the government if, in the light of the months that lie ahead and the experience as it develops, it is thought that such amendments are desirable. As a matter of fact yesterday, when we were celebrating what was to the Prime Minister, I hope, a very happy occasion, his birthday, I had hoped he might have learned the art of handling legislation in such a way and acquired such genius in handling the house that he would have thought about these techniques and reformed. I hope that from his birthday of yesterday he will reform with regard to his technique in presenting bills to the house for consideration.

Mr. Diefenbaker: I thought the degree of agreement yesterday was most attractive.

Mr. McIlraith: So did I, and I hope we will preserve it in this matter. However, I hope the Prime Minister will reform himself in his method of presenting legislation, because this legislation is of such a nature that the views of the various bodies comprising membership in the Canadian centenary council would have been helpful, I think, to the government and to all of us.

In any event, I do not propose to do other than concur in the second reading of the bill. I must confess that my reading has been rather rapid and my study of it, therefore, very superficial. As I understand the principle involved it is the setting up of an administration to carry out this important function, and that principle is one that surely must commend itself to all hon. members of the house. Perhaps I could leave the matter there. There may be some questions to be asked at the committee stage. However, I think on second reading the principle, as I discern it from a hasty reading of the bill, is one that will commend itself to the house.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, we expressed our views on the resolution yesterday. As far as I am concerned I have nothing further to say with respect to second reading of the bill, except that we

support the spirit and purpose of the bill and will have a few questions to ask when it is being considered in committee.

Mr. C. W. Carter (Burin-Burgeo): Now that we are discussing this bill on second reading I have two ideas which I should like to put forward. It seems to me that this centennial celebration will provide us with an opportunity which we have not had for a hundred years, and which we may not have again for another hundred years, to take a great leap forward in building national unity. Unity is the strength of every nation, and should be the prime goal of our national development. If we are to achieve complete national unity it seems to me that we must learn to appreciate one another, and learn to appreciate the contributions which the various provinces have made to Canada as a nation in addition to the contributions which the various racial groups have made to our culture and our economy.

Yesterday the Prime Minister put forward the idea of a train which could travel from one part of Canada to another carrying visible tokens of our heritage. I think that is an excellent idea, and I should like to see it developed to the point where the Prime Minister or those responsible for organizing that train would see to it that prominently displayed were exhibits making it clear what have been the contributions of each province and each ethnic group.

As reported at the bottom of page 8467 of *Hansard* the Prime Minister said:

> As Canada is a country on the threshold of an exciting tomorrow, the centenary should serve as a launching pad for new triumphs in our second century.

Earlier in the debate he recalled that this should also be a time of national stocktaking and of rededication to the future. In this connection I should like to put forward the idea that it also affords a splendid opportunity for establishing minimum standards of public service for all Canadians. This would probably mean setting up another committee to determine suitable standards. I do not think the task of such a committee would be an impossible one. We have, for example, already agreed on certain standards of health, so many hospital beds for each thousand people, and I think if we started from there and worked out, say, miles of paved roads, per thousand people, standards of education—so many classrooms per thousand students—and so on we should have the minimum standards which we could make our goal for all Canadians during the next hundred years.

This does not mean that everyone would have to be pulled down to the common level, but I think if those standards were determined Canadians would be shocked to see what wide variations exist as between one part of Canada and another, and even between different parts of the same province. I think this is something we would want to eradicate in the course of the next hundred years, and I hope the Prime Minister will consider setting up a committee under this legislation to determine suitable minimum standards of public service which might be made common for all Canada, and which might be the goals toward which we can work in the future.

Mr. John R. Matheson (Leeds): Speaking very briefly on Bill No. C-127, may I respectfully offer the suggestion that one centennial project in particular would be useful to Canadians and to our friends all over the world. I have in mind an ambitious production on the part of the national film board.

A few days ago I was in Toronto, and there I saw a motion picture called "Windjammer" which recorded a cruise of the Norwegian training ship *Christian Raadich*. I was impressed by the fact that after watching that film for two hours one almost wished to be Norwegian. The Prime Minister has frequently referred to the richness of the ethnic groups we find in this country, and I think he prides himself on the leadership he has taken in bringing this heritage to the fore. Certainly our former governor general did a great deal in this direction.

It seems to me that if the national film board could plan ahead and produce a great motion picture accompanied by original Canadian music by some of our finest composers, a picture which would introduce our Eskimo population, our native Indians and all the other ethnic groups we have in this country, a significant contribution would have been made toward the celebration. Such a film would include our old pioneer stock as well as the people who have come recently from Europe bringing with them so many colourful traditions and customs. It would also include passages illustrating our varied scenery; I have in mind the thousand islands region, the Rockies and other Canadian scenes. A picture of this kind would present Canada to every country in the world, and we could afford to export copies free for distribution abroad.

Miss Judy V. LaMarsh (Niagara Falls): May I speak briefly with respect to a view which has been expressed by many individuals in my riding. It is a view which is shared not only by many who were born in my riding but by others who have since come there to live. As is known to most hon. members, Niagara Falls is one of the most popular tourist areas of the country. Not so well known, however, is the fact that this area has rich historical associations. In and about the area from

Niagara Falls to Fort Erie were fought battles as significant in their way as the battle of the plains of Abraham.

I think no Canadian who has visited Quebec City can fail to be stirred by the magnificent monuments there to the two fine peoples who were the founders of this country. The peace, the dignity and the beauty of the surroundings, wedded to the recollection of all we have been taught about the battle which there took place, cannot fail to be impressive. Anyone visiting that spot would feel the beginnings of Canada.

I suggest that the same should be true in Niagara, where there was a struggle between forces from the south who sought to have that part of Canada made part of the United States, and the British troops, Canadian militiamen, the Canadian people who had settled in that area and the Indians of our country who remained loyal to the crown. Unhappily some of the great battles which were fought there, such as the battle of Lundy's lane, have never been properly commemorated by a national park. In fact, in Niagara Falls there are only a small monument and some poignant graves of the fallen on both sides. Each year there has been a commemorative service. Until recently it was held only by Canadians but two years ago, for the first time, Americans were asked to participate. Last year, for the first time in 157 years, an American was asked to give the address.

This is, historians agree, one of the bloodiest battlegrounds on the North American continent. It has been said by historians that more blood was shed on that land, proportionate to the size of the population and the number engaged in the struggle, than was shed at Gettysburg. Most hon. members have visited Gettysburg and will know the feeling that comes to one when visiting there, a sense of seeing the roots of that country's struggle for existence.

It is unhappily the fact that the area which comprises the Lundy's lane battle ground is largely built over with commercial establishments and two fine churches. There is virtually nothing to remind either the residents of the area or the millions of visitors who come to that part of the country that here a stand was made for freedom, and that that part of Canada was held for what later became this great dominion.

I urge upon those who are to serve on this commission the need to commemorate in a tangible way some of the great battles that have significance to Canadians in our emergence as a nation, with a view to paying a tribute in this way to those who went before us, and reminding all who come after us of the beginnings of our nation when we celebrate its hundredth birthday a few years hence.

Mr. John Smith (Lincoln): Mr. Speaker, I wish to follow along the same line as what was said by the hon. member for Niagara Falls, and to bring to the attention of the house some historical facts pertaining to the area I represent.

I heartily support the Prime Minister's bill to establish a commission to ensure that Canada's centennial will be properly celebrated. As we look to the future toward a greater Canada for those who will follow us, it is important that we pause to look at our past and examine what has been done in days gone by which laid the foundation for the greatness Canada has achieved as a nation today.

In my riding there is the old town of Niagara-on-the-Lake, where the first government of Upper Canada was established many years ago. It also played an important role in the defence of Upper Canada during the war of 1812. In that town today we have several fine churches, some of them dating back to those early days. We also have Fort Mississagi and a number of other old, historic buildings. We have in that area the makings of a splendid old colonial town similar to Jamestown in the United States if it were properly preserved, which I think it should be.

As recently as Sunday last I attended a ceremony at Niagara-on-the-Lake to unveil a plaque in memory of Colonel John Butler, who formed Butler Rangers who played a great part in the preservation of the Niagara peninsula as part of Canada. They also did outstanding work at the time of the American revolution in piloting refugees from the United States to Canada. We therefore have in the Niagara peninsula an historic town and many fine old buildings. As part of our centennial preparations across Canada leading to our celebration we should give serious thought to preserving for posterity what is left of those early, trying times.

It is true that the Ontario government through the Niagara parks commission has done a great deal to preserve places of historic importance in the Niagara peninsula, but there is a great deal more to be done. At the Niagara camp training grounds there are approximately 900 acres of land much of which is going to waste at this time. With that amount of land and the buildings I mentioned the remains of a colonial town could be preserved to commemorate those stirring days in Canada's early history. I urge the Prime Minister and the Minister of Northern Affairs and National Resources to give serious

consideration to preserving what remains of the historic colonial days in the Niagara peninsula.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Chown in the chair.

On clause 1—*Short title.*

Mr. McIlraith: Mr. Chairman, I wish to ask the Prime Minister whether it is proposed that the Canadian centenary council will be continued in the form indicated in the report of its first annual meeting and, if so, how it will be related to the administration created by this measure.

Mr. Diefenbaker: Mr. Chairman, the Canadian centenary council is, of course, a group of private institutions that have joined together for the laudable purpose of ensuring that the fullest possible representations will be made in connection with the celebration of the centennial. There will be nothing in this legislation to in any way circumscribe the activities of that organization. It will naturally be expected to give its views and make its recommendations, as I know it will be desirous of doing.

Mr. McIlraith: I thank the Prime Minister for his answer. I think it is highly desirable that the activities of this council be continued and that it be permitted to make as valuable a contribution as it can.

I take it that it is the intention under this legislation to have the national conference on Canada's centennial co-ordinate all the activities, or is it envisaged that the two bodies, the council and the conference, will each deal directly with the administration?

Mr. Diefenbaker: As the hon. gentleman knows, the conference will be representative of all parts of Canada. Two representatives each will be named by the several provinces, and in addition representatives will be appointed from all the interested segments of the Canadian population. I should think that in the choice of membership of this conference regard would be had to a liaison with the institution through which it has been voluntarily set up and which has done very excellent work in laying the foundations for the centennial. I would hope that this work will continue and that there will be representation on the conference and also that degree of co-operation which would assure that the work that has already been done will be made available to the national conference and to the Canadian people as a whole.

Mr. McIlraith: Perhaps I did not make myself clear in the second question. What I was seeking to find out was whether the Canadian centenary council would be brought into direct liaison with the administration set up in the bill before us, or whether its relationship would be through the national conference. That was really the question.

Mr. Diefenbaker: Mr. Chairman, as a matter of fact they have been included in the relationship, and these organizations have been working together and exchanging their points of view.

Mr. McIlraith: As I understand it, the conference as such has not been created yet. The national conference provided for by the legislation has not been created.

Mr. Diefenbaker: That is true enough. The officials of the privy council have been in constant consultation and have exchanged views with the organization in question to which the hon. member referred, as well as with Canadians as a whole, which brings me to the point he raised on second reading. He asked whether every opportunity had been given for representations to be made. I might point out that on October 4, 1959, at Assumption University in Windsor, I referred to the one hundredth anniversary and said this:

> It is the intention of the government of Canada to communicate with the provinces shortly to secure their views and ideas. My hope is that each province will set up an organization, out of which a national committee will be formed—with representatives of all the provinces of Canada, of church and religious bodies, of cultural organizations, of business, labour and agriculture, and all the elements of Canadian life—to make and co-ordinate appropriate plans for national celebration. His Excellency the Governor General has graciously agreed to lend his patronage to this tremendous undertaking. I am asking my fellow Canadians everywhere to contribute suggestions for an overall plan.

I asked at that time also that Canadians in all parts of our country make available their representations. Then again, on May 19, 1960, I invited Canadian citizens to send in their suggestions as to how Canada's centennial might best be celebrated. This invitation brought about a healthy response and, as I said in introducing the resolution, I have been very encouraged by the degree to which interest in laying the foundations for a successful centennial is being shown by our people everywhere.

As the hon. gentleman knows, representatives of the privy council who are working on this matter have been in communication not only with the organization to which he referred, which is a voluntary one, but also in general with the provinces and various municipalities across the country, many of whom are taking a new interest in the sense of history and are making their contribution in their several communities to preserving

those things which are of historic importance and a part of the warp and woof and the traditions of Canadian history.

Mr. McIlraith: In referring to his speeches the Prime Minister omitted his announcement to the House of Commons which was along exactly the same lines, and which was made on February 4, 1960, as reported at page 713 of *Hansard*. At the conclusion of the announcement he spoke about meeting with the representatives and premiers of the several provinces. He said:

> Following this meeting the government hopes that working arrangements and groups can be formed to carry on the initial plans.

My question has to do with the staff devoted to this purpose. Has the government been able as yet to gather together the nucleus of staff for this administration, or is that something yet to be done?

Mr. Diefenbaker: That has yet to be done. Members of the privy council have been acting on it. Dr. Hodgson has taken a particular interest in the matter, but there has been no acquisition of staff directly for the purpose.

Mr. McIlraith: I have another question which perhaps I can pursue at this time. A question was asked in the House of Commons on April 17, 1961, concerning some announcement in the press. I want to make reference to it because there seems to be confusion on this point, and I think it important that it be clarified now. The reference is in *Hansard* of April 17, at page 3706. The Prime Minister will see that the question was asked by the hon. member for Timiskaming and was based on a newspaper report concerning the appointment of the well-known publicist, John Fisher, to the staff of the Prime Minister. The Prime Minister went on to say that Mr. Fisher would "commence his duties as a special assistant with particular reference to preparations that are to be made in connection with the centennial to which we are all looking forward." Then he added this:

> While I am on my feet may I say that when the formal appointment is made, the suggestion that he will receive more than $10,000 a year is completely unwarranted.

I assume this has reference to something in the press release that I did not see. Then on June 7 a question was asked, as appears at page 5968 of *Hansard*. It was a formal question on the order paper, and reads as follows:

> Have any persons been brought into the government service for the purposes of preparing for Canada's centennial?
>
> If so, who are these persons, and what are their specific duties?

These questions were asked by the hon. member for Maisonneuve-Rosemont. The Prime Minister answered as follows:

> The answer to both parts of this question is no, not yet.

There was a further reference to the subject some time later to which the answer was no. The point I want to clear up is this. The Prime Minister will see that the answers are capable of being partially in conflict, or at least confusing. What I am seeking to point out is that Mr. Fisher was brought here for this purpose. Is it intended to appoint him, or has he been appointed for this work up to this time? What is the situation? Can the Prime Minister enlighten us, if he feels free to do so?

Mr. Diefenbaker: Mr. Speaker, Mr. Fisher was appointed a special assistant in the office of the Prime Minister in succession to an earlier appointee who retired. In view of the responsibility which rests upon the Prime Minister in connection with the centennial one of the things which are necessary in the Prime Minister's office is to have available the best equipment and the best equipped persons in the various fields of responsibility. I think the house and the country as a whole recognize that Mr. John Fisher has a knowledge of Canadian history and its traditions unexcelled by anyone else who comes to mind at the moment. That recognition is generally accepted, and among his duties as a member of the Prime Minister's staff is to make available his ideas in connection with the centennial, and to assist the Prime Minister in his relations with the various organizations that have been set up in connection with the centennial.

Mr. McIlraith: Is it envisaged that this work will be done in the Prime Minister's office outside of the administration?

Mr. Diefenbaker: No.

Mr. McIlraith: There is one more point I want to raise. Prior to the election of June, 1957 some steps had been taken in this regard, including the meeting of a committee. I have not been able to get any report of its proceedings this morning, though I have talked with some who attended the meeting. I have had some conversations with regard to what took place at the meeting, but I do not think it would be desirable to put them on record. The meeting was held between certain ministers and the leader of the opposition at that time. I also have not been able to fix the date.

Mr. Diefenbaker: Could the hon. gentleman fix the year?

Mr. McIlraith: I can fix who was leader of the opposition. It was the former leader of the opposition, before the present Prime Minister was leader of the opposition. In any event, this is my question. I take it that any work that was done is being gathered together and will be made available to the present administration.

Mr. Diefenbaker: Mr. Chairman, the information I have is that there is no record of any such meeting having taken place. I know the hon. gentleman is circumscribed by the considerations he has in mind, but possibly he could tell me privately who were present on the occasion. Whatever was done apparently is not known to the departmental officials at the present time.

Mr. McIlraith: I will be glad to give the Prime Minister any information I have as to that meeting. A start was made at that time, and I think his predecessor in the office of leader of the opposition may be able to enlighten him on the matter to some extent.

I have one more question regarding the method of appointment under the bill. All appointments are in essence to be governor in council or Prime Minister's appointments. I made some reference to this point yesterday, and I want to ask the Prime Minister a direct question. Is it his intention to make these appointments on an all-party basis, as obviously was the intention of the previous government at the time the first meeting was held on the subject?

Mr. Jones: Oh, oh.

Mr. McIlraith: The hon. member for Saskatoon laughs.

Mr. Jones: I am laughing about your suggestion that there was in fact any meeting that took place while your party was in power.

Mr. McIlraith: The hon. member for Saskatoon has a great habit of interjecting improperly. If he has anything to say, he should do so with skill and dexterity.

Mr. Walker: Like you do.

Mr. McIlraith: As the Prime Minister has indicated in his remarks, the fact is that this is a subject matter of great interest to many people throughout the country and in and around the capital city, and has been over a period of years. I would hope that the perfection of the arrangements for this occasion will be such that they will be worthy of the commemoration of our hundredth anniversary and will serve for the next 100 years as a source of inspiration that will be remembered by all Canadian citizens. I would hope that the approach will be a little better than that which the hon. member for Saskatoon and the Minister of Public Works have indicated by their interjections.

I am asking the Prime Minister what I regard as a proper question, but which he may or may not regard as proper. That is his privilege. Is it his intention in making these appointments to seek to make the celebration of this great occasion a non-party matter, as confederation was, or is it the intention that any other method will be followed? I think the Prime Minister will be the first to appreciate the point of that question.

Mr. Diefenbaker: I can assure the hon. member that the purpose is to bring together all Canadians. We do not try to write history on the basis of partisan considerations, and an endeavour to bring about Canadian unity on the basis of party is something I have always tried to avoid. With respect to the setting up of the organization in general, I might say to the hon. member that in order to ensure that all political parties will have representation, the appointments are to be made by the governor in council on the recommendation of the provinces. In all the appointments that are made I will follow the course that has been followed generally in connection with the Glassco commission, of assuring that, without regard to party considerations, the best men will be made available. That is the course I have in mind. That is the course I want to see followed. It is the only one that can be followed by any government with a sense of its responsibility for an event which is not a party but a national event, one which will give to Canada, I hope, an even larger place in the world internationally than she has today.

Mr. McIlraith: I thank the Prime Minister for his statement. I think he has indicated what is needed in this organization. In my opinion his statement points up what is needed in better form than I was able to put it in the remarks I made in asking my question. I am glad it was the Prime Minister who made the statement. I hope that the minister who interjected earlier was listening carefully, because I think the Prime Minister has approached this matter in the proper way in making that kind of statement. To me at least it appears that this occasion will be a much greater one than many of here seem to realize at this moment.

As I said yesterday, the Prime Minister quite properly asked for unanimous support for the resolution. I should like to express my

appreciation of the general tenor of the remarks made yesterday, and I conclude by expressing my appreciation to the Prime Minister for his remarks in answer to my question.

Clause agreed to.

Clauses 2 to 5 inclusive agreed to.

On clause 6—*Staff.*

Mr. McIlraith: This clause deals with the appointment of officers and employees. Can the Prime Minister indicate when he expects to be able to appoint the commission and have it in operation as a working administration?

Mr. Diefenbaker: That has not been determined yet. However, having regard to the vastness of the problems that will be faced I am most anxious to have it under way as soon as possible.

Clause agreed to.

On clause 7—*Administration agent of Her Majesty.*

Mr. Herridge: Paragraph 1 of this clause provides as follows:

(1) The administration is, for all purposes of this act, an agent of Her Majesty, and its powers under this act may be exercised only as an agent of Her Majesty.

Then paragraph 2 provides as follows:

(2) Subject to the approval of the governor in council, the administration may, on behalf of Her Majesty, enter into contracts in the name of Her Majesty or in the name of the administration.

This being in effect a crown corporation, can the Prime Minister explain why it is necessary to have included these words "or in the name of the administration"? I thought all contracts were held in the name of Her Majesty under those circumstances.

Mr. Diefenbaker: I think this is a clause or section that is found in other statutes. It makes possible a greater degree of expedition. While the contract would be in the name of the administration, it makes possible the signing by the administration without the formalities that otherwise would be necessary.

Clause agreed to.

Clause 8 agreed to.

On clause 9—*Objects of administration.*

Mr. Herridge: I wish to make an observation or two on this clause, which provides for the objects and powers of the administration, inasmuch as I am keen on this aspect of the matter. As I said yesterday, co-operation is essential for success in the development of these plans to the satisfaction of all parties and all groups concerned. That co-operation will depend upon information, continuous contact and the maintenance of constant interest by all groups, no matter how small.

In essence, the administration will have to develop unusually good public relations to a type somewhat different from those that are required for business, political parties or other types of organization. Without a doubt this bill lays the foundation for the building of plans for the centennial celebration, a great deal of which we will learn as the administration proceeds with its plans and so on. Ideas will flow from many quarters, many groups, many areas and so on. However, I start with the question of information. Contact with even the smallest group is essential to success. To give information will promote inspiration which will in turn develop the necessary co-operation.

I trust that the public will be kept informed by press releases or by other means of developments from day to day so they will not feel that this is only something that is being originated in Ottawa and that this is a bureaucracy administered in Ottawa—and of course that term is used most unfairly in connection with many of our government bodies—but that every organization of persons, as I said before, no matter how humble and no matter how small, will feel that they are taking part in these arrangements. I suggest that we should also interest our university students and our school teachers, and that teachers should be informed of developments and be provided with information which they can give even once a month or once a quarter in order to inform their classes of what is being done, of course, in a way that is satisfactory when you are dealing with young people.

Clause agreed to.

On clause 10—*National centennial fund.*

Mr. Pickersgill: While clause 10 makes provision as to the custody of the funds and so on, I notice that it does not actually appropriate any funds. I thought the Prime Minister might tell us whether it was contemplated that at the present session a special supplementary appropriation would be brought in so the work of the commission and the administration could be started at once.

Mr. Diefenbaker: I appreciate the solicitude of the hon. gentleman in that connection. However, my information is that there is no intention to bring in a supplementary estimate at the present session. I understand that the organization as it is will not require it, and that we shall have it brought in in the regular way in a subsequent session.

Mr. Pickersgill: It would then not be possible, unless there was a warrant, for a salary to be paid to the commissioner—

Mr. Diefenbaker: That is right.

Mr. Pickersgill: —until money was appropriated by parliament?

Mr. Diefenbaker: That is right.

Mr. Pickersgill: From what the Prime Minister has said, I understand that unless a commissioner was appointed who was a member of the public service and in receipt of a salary in some other context, it would not be possible to start this administration until an appropriation of funds has been made in the next fiscal year, or subsequently in this fiscal year at the next session of parliament. Is that correct?

Mr. Diefenbaker: Yes.

Clause agreed to.

Clauses 11 to 13 inclusive agreed to.

On clause 14—*Administration deemed charitable organization.*

Mr. McIlraith: Clause 14 is quite important if it is envisaged that private persons will make contributions to the administration for this purpose. I wonder whether the Prime Minister would elaborate on the degree to which he intends the administration to make an appeal to members of the public to contribute by way of gift or bequest for this purpose.

Mr. Diefenbaker: This provision, of course, as the hon. gentleman knows, is inserted for the purpose of assuring that if bequests particularly are made for the laudable purpose of the centennial, normal provisions with regard thereto will apply. I hope that businesses and organizations across the country will interest themselves in this matter, for after all it is for the benefit of all Canadians, and that they will feel constrained to make contributions. I can think of nothing more beneficial to Canada than for companies, corporations and the like to make available their contributions not only to the building and the strengthening of the centennial but more particularly, arising therefrom, to a greater sense of unity and a greater realization on the part of the Canadian people of the destiny to which all of us look forward for Canada. This provision is made in order to enable such assistance to be given, as well as to provide the opportunity for philanthropically minded individuals in their wills and testaments to make provision for this purpose.

Mr. McIlraith: May I ask this question in connection with persons making bequests in their wills for this purpose. Has the Prime Minister had the provincial succession duty acts looked at in order to ascertain whether the provincial tax legislation is of such a nature as to exempt such bequests? I think he will appreciate the fact that quite often there is a real problem in drafting wills where you have a situation in which a gift or bequest may be exempt from tax under federal legislation but not exempt under provincial legislation. Such a circumstance could throw the balance of the will out in such a way as to mean that the intended bequest is never in fact made; it is never put in the will.

Has the Prime Minister pursued that point, and if he has not, would he have one of the officers of the appropriate department do so?

Mr. Diefenbaker: Mr. Chairman, that matter has not been looked into. It is a matter of importance, as the hon. gentleman indicates, and it is one of those matters that I know will be looked into earnestly by the provinces where they agree on the necessity of making their succession duty acts conform with the provisions of this clause.

Clause agreed to.

Clauses 15 and 16 agreed to.

On clause 17—*National conference on Canada's centennial.*

Mr. Pickersgill: I have a question on clause 17, Mr. Chairman. I am interested in this in what perhaps the Prime Minister may regard as a rather pedantic way. This is the first time I recall a provision ever having been made for appointments to be made by a minister—I think it is a very good idea myself—rather than by the governor in council. I am not criticizing this provision in any way whatsoever; I wish to make that quite clear. However, I am just wondering what kind of instrument the Prime Minister will use for the purpose. We know that when appointments are made by the governor in council there is an order in council. I wonder what the legal instrument of appointments would be; whether these appointments would be gazetted or what other method, apart from publicity in the press, would be used to give them validity.

Mr. Diefenbaker: Mr. Chairman, the hon. gentleman was not being pedantic. That was an exhibition of a searching examination based upon his experience as clerk of the privy council and his knowledge of constitutional matters. I have not given thought to this matter. I imagine that when appointments were made there would have to be confirmation by an order in council. I think that would be the proper course.

Mr. Pickersgill: I would hope the Prime Minister's ingenuity or the ingenuity of the clerk of the privy council would be such that this would not be necessary. The Prime Minister had a passion at one time for not having too many orders in council, a passion that I share, I might say. When I was clerk of the privy council I found an unnecessary number of orders were passed, and the number was very substantially reduced. I think this is a good precedent. I hope it will be continued because it does seem to me that, particularly if the Prime Minister is the minister designated, it should be possible to devise some instrument which would make it easier to do these things and cut out some of the red tape.

I suggest that the Prime Minister ask the staff of the privy council office to see if they cannot devise some instrument which will make passing purely formal orders in council quite unnecessary. Of course the Prime Minister will be aware that in the case of the appointment of ministers, such an instrument was devised some years ago because it was considered inappropriate to appoint ministers by order in council.

Clause agreed to.

Clause 18 agreed to.

On clause 19—*Objects of conference.*

Mr. McIlraith: Mr. Chairman, I have one very brief observation to make in connection with clause 19. I understand the Prime Minister is anxious to complete this matter, so I will make it as brief as I can. The conference referred to is the national conference on Canada's centennial, and clause 19 purports to set out the objects of the conference. I must say that clause 19 does not express those objects in as nice a way as they might have been expressed.

I hope the Prime Minister will take a look at the clause in the period before the next session and see if he cannot find a more adequate way of expressing the objects of the conference, because they are going to serve as the guide for the work of the conference. As far as I am concerned, I do not think the importance of the conference can be overstressed in making this occasion a great success. I think this clause does something less than adequately express the objects of the conference. Perhaps the Prime Minister would look at it and bring in an amendment if he sees fit. I should be very grateful if he would do that.

Mr. Diefenbaker: I shall do so, Mr. Chairman. Of course the clause was drafted by the legal officers of the crown after consultation. There are occasions when we who belong to the legal profession are blamed, condemned or even worse for creating sections that are difficult of understanding, that are replete with a multiplicity of words, exceptions and provisos. This clause 19 is a model of simplicity.

Mr McIlraith: It is not very inspirational.

Mr. Diefenbaker: It may not be ensconced in the beauty of language that the hon. gentleman would like to have, but it has clarity.

Mr. McIlraith: Put some inspiration into it.

Clause agreed to.

Clauses 20 to 25 inclusive agreed to.

On clause 26—*Expenditures.*

Mr. Pickersgill: Mr. Chairman, I have a question on clause 26 when it is read in conjunction with clause 10. I wonder whether the Prime Minister could tell us if what is contemplated is a separate vote for the purposes of the conference, or whether the moneys will be—

Mr. Diefenbaker: Yes, it is a separate vote.

Mr. Pickersgill: It is a separate vote distinct from the vote for the administration?

Mr. Diefenbaker: That is right.

Clause agreed to.

Clause 27 agreed to.

Title agreed to.

The Deputy Chairman: Shall the bill carry?

Some hon. Members: Carried.

Mr. Diefenbaker: Mr. Chairman, I wish to thank hon. members of the committee for the expedition with which this bill has been passed and the care and attention given to it by those who have participated.

Bill reported.

Mr. Speaker: When shall the said bill be read a third time?

Some hon. Members: Now.

Mr. Pickersgill: Now, by leave.

Mr. Speaker: By leave, now?

Some hon. Members: Agreed.

Bill read the third time and passed.

NATIONAL HOUSING ACT

AMENDMENTS INCREASING AMOUNTS AVAILABLE FOR LOANS AND RESEARCH

Hon. D. J. Walker (Minister of Public Works) moved the second reading of Bill No. C-128, to amend the National Housing Act, 1954.

Mr. W. H. McMillan (Welland): This amendment to the housing act has to do with the advancing of money from the consolidated revenue for the purpose of building houses, for housing research and for community planning. It also provides for sewage projects.

I am sorry the government has not seen fit or has not been able to cut the interest rate on mortgage loans. The rate still stands at 6¾ per cent. Yesterday, speaking at the resolution stage of the bill, the minister asked for suggestions, and I suggest that the first thing to be done should be to cut interest rates.

Ministers of the crown have often stated in this house different steps they have taken in order to help our economy, and they have said on various occasions that these particular steps had been followed by the government of the United States. I have in mind what the Minister of Labour said in connection with the winter works program, and I think I have heard the Prime Minister refer to various steps which the United States government has taken akin to action taken here in Canada.

Well, the United States has taken steps to lower the interest rate on mortgage loans. It has been brought down in two stages from 5¾ per cent to 5¼ per cent. It was reduced first to 5½ per cent and then to 5¼ per cent. This was one of the earliest actions of the new President.

We have had no intimation in this country that the government intends to bring down mortgage interest rates on similar lines. However, I think they might do something about it, and if they did they would be doing something to the real benefit of the people of Canada. For years before 1958 the differential between long term interest rates in the United States and Canada was one half of 1 per cent. It has been three times that amount ever since the government's promotion of high interest rates. The day they decided to bring about the conversion loan, when they paid healthy bonuses to people who took 50 per cent extra interest, was an evil day for the home buyers, who have been paying for our misguided fiscal policy ever since and who will go on paying for it for practically the rest of their lives.

In a recent issue of the New York *Times* I read that one municipality in the Boston area was raising funds to build a new $3 million school. They had bids on their debenture bonds, as they called them, and those bids were priced to return between 3.71 per cent and 3.73 per cent. This is much lower than the rate at which the Canadian government itself can borrow money, and this is one reason our government cannot lend money to the home buyer at reasonable rates of interest.

Our government, as has been admitted by the Minister of Finance, is in and out of the short end of the market. This costs a lot of money—around $70 million at the time of the conversion loan—and the minister has been in and out of the market many times since. Somebody has to find this extra money which, in interest alone and in extra expenditure in financing our debt, already amounts to an additional sum of $800 million. The home buyer soaks up some of this extra cost, and most of the rest is taken up by the taxpayer. Even he does not take it all up, because the balance is carried forward in deficits to another day.

If interest rates were down by 1 per cent, or better still by 1½ per cent to 5¼ per cent, as they were some years ago under the previous administration, the home owner would not have to pay nearly as much for his house over the years. The saving consequent upon this reduction of 1 per cent or 1½ per cent would be tremendous, and there would also be considerable saving in the case of municipal services because the annual amortization payments would be less. I saw it worked out that the saving of 1 per cent in interest on a $13,000 mortgage over a period of 25 years would be around $2,500, and if it were 1½ per cent the saving would be in the neighbourhood of $4,000. That is a lot of extra money for a home owner to be paying over the years, and in the case of a 35 year mortgage the amount would be much greater still.

These are the years in which the home owner has to pay out more taxes to all three levels of government, and those taxes are increasing year by year. These are the years when he raises and educates a family. The high interest rates promoted by the government are siphoning off from his pay cheque money which could otherwise be spent on the education of his family.

May I call it one o'clock?

At one o'clock the house took recess.

AFTER RECESS

The house resumed at 2.30 p.m.

Mr. McMillan: Mr. Speaker, at one o'clock I was saying that one of the first results of the fiscal policy of this government was to increase interest rates. The government should now try to reduce them, particularly for housing. If and when the government takes such action there will be, of course, thousands of Canadian home buyers left holding the bag with blanket mortgages on their homes bearing an interest rate of 6¾

per cent. Their homes will not be readily saleable because cheaper mortgages will be available at such a time.

Yesterday the Minister of Public Works praised the 6¾ per cent 35 year mortgage. He said that not too many of them had been taken. Just imagine what a 35 year mortgage means to a man who takes it when he is a little over 30 years of age. If he is fortunate enough not to fall ill or encounter other misfortunes he may be lucky enough to have it paid off before he reaches the allotted span of three score years and ten. The old age pension might be used to finish paying it off, but if he does not live some member of his family will have to pick up the tab and continue the payments. If the owner of one of these houses bothers to add up the amount of money he has paid over the years he will find that he has paid about twice its original value. He then owns an old house by the time the mortgage is discharged. This problem is brought about by the high interest rate of 6¾ per cent. The point is that interest rates should not be so high as to require a 35 year mortgage on any house.

Recently I saw an advertisement in a Montreal newspaper which offered for sale a nine year old house with a mortgage that bore an interest rate of only 5¼ per cent. The 5¼ per cent interest rate caught my eye, because I can recall some years ago in this house the Minister of Finance and other hon. members of the Conservative party berating the former government on the ground that 5¼ per cent was an unjustifiably high interest rate for housing.

The Minister of Public Works always seems happy to announce a large number of housing starts. This means that a great many more buyers are caught in the trap of paying high interest rates over the years. Certainly long after this government has been gone—but not easily forgotten—many thousands of Canadians will continue to pay monthly tribute to its memory, and the home purchasers will be in the vanguard of that throng.

Another feature of high interest rates on mortgages is this. After a man has put his name on the dotted line and purchased a home this tends to keep him put, to render him immobile. He is frozen in one position, and in all likelihood will continue to live in the same house on the same street in the same town for the rest of his life, unless he is willing to sell at a financial loss. That is not so true in the early years when he only has the down payment as an equity, but as the equity builds up it is more difficult to dispose of the house, to find a buyer with a sufficient amount of money to enable the original purchaser to recover his down payment and his equity in the building. As I have said, this equity is difficult to finance under the present system. The trouble is that at the present time buyers do not have sufficient money to finance this equity, so they are forced to buy a new house under a mortgage bearing an interest rate of 6¾ per cent.

Another problem is that some areas are overbuilt. I know of some areas containing empty homes that would be suitable for anyone who wished to buy, yet other homes are being built under Central Mortgage and Housing Corporation financing and these entail mortgages bearing an interest rate of 6¾ per cent, all because of the lower down payment.

The question of financing the equity in older homes should be given consideration by the government. Under the present system of financing we do not make the best use of existing houses. I have known several people who have been required to move, sometimes to another town some distance away, because of a job transfer. I have known people who required a larger house because of an increase in the size of their family. These people have been unable to derive from their homes a sufficient equity to purchase new homes. The government should give consideration to this and other related problems. I am in favour of the government advancing money for housing, but it should be made available at lower interest rates.

The hon. member for Nipissing said yesterday that during the last year of office of the previous administration there were 380,000 housing starts, and that only $65 million was taken from the public sector, the rest being taken from the private sector. I have heard the Prime Minister say that his party was for free enterprise. Well, the public sector of the economy has put up $924 million in order to finance only 30,000 more starts. The private sector of the economy has been treated well by the Minister of Finance. Government securities reached a high price and this lessened the interest of investors in housing mortgages. In order to provide our people with enough money to build houses the government was forced to put a great deal of money into these projects. They now provide those long term mortgage loans by borrowing on the short side of the market. Most of the money required for the long term mortgages is constantly being churned about in the short term market, and this costs a lot of money. This is the main reason mortgage money is at 6¾ per cent today.

When he replies the minister might give us some figures on the repossession of houses by Central Mortgage and Housing Corporation and by any other agency holding mortgages

guaranteed by the government. It would be interesting to have those figures, particularly in respect of the length of occupancy on the part of the house owners.

Yesterday the minister referred to the money advanced in connection with sewage treatment projects on the part of the municipalities. I know some of those projects have gone ahead. I agree that we should clean up our lakes and rivers; I think it is a very good thing. At that time the minister said that money would be advanced to the municipalities at a price very little above the cost to the government. I ask the minister now how much money has been advanced to the municipalities, and what interest rate is being charged.

Mr. Robert Simpson (Churchill): Mr. Speaker, I find the first clause of the bill before us very interesting, and this applies particularly to the residents of northern Manitoba, the area which I have the honour to represent. There are one or two things that I should like to point out. However, at the outset I should like to say that congratulations to the minister and to this government are certainly in order for the tremendous interest they have shown in housing requirements over the last four years. Each year we have seen increases in the amount of money available for house building, and I think I would be quite safe in saying that new records in house building in Canada have been set in three of the last four years.

However, there are one or two problems remaining in regard to money available from Central Mortgage and Housing Corporation under the National Housing Act. In this respect I should like to bring two matters to the attention of the minister. First of all, I am quite interested in clause 1 of the bill, the purpose of which is to increase from $1.5 billion to $2 billion the maximum charge on the consolidated revenue fund for direct lending by Central Mortgage and Housing Corporation. I know from experience that one area of Canada is handicapped to a great extent in its desire to get approval of those loans by individual home owners. I refer particularly to the new area in Manitoba known as Thompson, which is the site of the new International Nickel development. I am sure the minister is aware of this situation because I brought it to his attention previously.

When house construction started at Thompson, Central Mortgage and Housing Corporation lent money to individual applicants provided, of course, that the International Nickel Company guaranteed those loans. Until recent months this worked out fairly satisfactorily, because most of the people going into that area were employed by International Nickel, and the mining company was not at all reluctant to guarantee those loans. However, since then the town has developed rapidly and people are moving in to supply the goods and services which are necessary in a town of this size. They are anxious to build houses, but they are not on the payroll of the mining company. The mining company is now reluctant to guarantee loans for anyone other than its own employees.

As I say, I am sure the minister is aware of this, but owing to the tremendous development in Thompson and other places in the north I think a special look should be taken at this problem and special consideration should be given to those areas. At Thompson there is every reason why we should have faith in the future of the development. When you see an individual company go into an area and invest possibly up to $200 million of its own money to build the first fully integrated nickel producing plant in the world and supply the services for a well planned town, schools and things of that sort; when you see this followed up by private enterprise in the form of small industry, shopping centres and all the requirements for a well planned town go in, I think there is every assurance that this industry will be located in that area for a long period of time. I can recall the president of the company, Mr. Gordon of New York, saying at the opening that as far as they were concerned they intended to remain in that area forever. The establishments which have been put up certainly bear out the fact that they intend to stay for a long time.

If we are to fully justify our faith in the north and our plans to develop the north, special consideration should be given to places such as this and to the private individual who wishes to go in and build a home for himself and his family. I also believe that when you see a town of 400 to 500 houses built in the last year and a half, with another 200 or 300 houses under construction at the present time and something in the neighbourhood of 500 to 600 new lots opening up next year, this certainly warrants greater consideration from the department and from Central Mortgage and Housing than is now being shown.

I realize, of course, that some sad experiences have developed in the past in certain one industry towns. However, as I said before, if we are going to justify our faith in the north I think special consideration should be given. I say this because not only this government but governments of the past have more or less gone on record as having faith in the north and have recognized the need to show special consideration through

the northern allowances which they have paid to government employees stationed in the north.

Many people who go there find that building costs are greater than in any other part of Canada. I might say at this time that I understand Central Mortgage and Housing Corporation has experienced some difficulty in these areas because of permafrost. I know that at the present time officials of the national research council are looking into this factor to see what other types of buildings might be more desirable in these localities. However, in the case of Thompson I understand that only eight or nine out of the 450 to 500 houses that have been built are more or less coming apart at the seams as the result of permafrost. In only eight or nine cases has the sad misfortune occurred of running into trouble because of permafrost.

There are other such places in the north in each of our provinces, and there are localities in my area other than Thompson which are having difficulty in getting loans from Central Mortgage and Housing Corporation simply because I believe it is considered that a one industry community is perhaps not the best place to invest too much money. However, in listening to the hon. member for Welland I noticed he said that in his area houses were very difficult to sell from the point of view of the owner getting his equity out of the sale. I think the situation not only applies to the north but possibly applies to many other parts of Canada. Some of these other parts of Canada are not experiencing difficulty in getting loans. Therefore I respectfully request the minister to ask the officials of Central Mortgage and Housing Corporation to take a further look at these communities in the north and give the fullest possible consideration to a loosening of their policy to allow the individual home owner to secure a loan through these facilities.

Mr. John Matheson (Leeds): Mr. Speaker—

Mr. Speaker: I am sorry, but the hon. member will have to speak from his own seat in accordance with our practice, except by unanimous consent of the house.

Some hon. Members: Agreed.

Mr. Speaker: I take it that the house is agreeable to hearing the hon. member.

Mr. Matheson: I thank hon. members. In spite of the kind indulgence of the house, Mr. Speaker, I will return to my own seat.

We have been interested in hearing the extent to which the government has engaged in housing, and in my opinion the question that confronts us at the present time is, what is the future of this development if it continues in the direction and to the extent that it has in the past months and years? Often the question is asked, if I bought a home for $15,000 what would it be worth five years from now? There is a very useful study of housing contained in the *Globe and Mail* of Saturday, September 16 last under the title "Renting or Buying? How Costs Compare". I should like to read one short paragraph from the article:

> An $800 down payment is needed under the National Housing Act to purchase that $15,000 house. Your monthly mortgage payments, including mortgage insurance fee, will amount to $97.97. Add $700 a year ($58.33) for taxes and maintenance costs. This makes your total monthly payments $156.30. By 1986 these payments have amounted to $46,890 to pay for and maintain that $15,000 bungalow.

The writer of the article indicates that the house buyer at the present time would be paying more by buying a home than he would by renting, projected over a 25 year period. At the end of that period, of course, he has the house. In the other case he has not risked the investment of $15,000 and he has nothing but the next month's rent to pay. It is also indicated in an article on the same page that on the average a house constructed under the National Housing Act today costs the buyer $1,012 more than the $13,366 it cost in 1956. The conclusion appears to be evident from the study that home prices are remaining stable but the value of money is changing.

I simply leave this word of caution with the house. We know that in our smaller towns and cities it is extremely difficult to sell real estate today even if it is very highly mortgaged and requires only a small equity to transfer a property. While there is much reason, of course, to assist people who need homes, I hope that the minister, with his wise and broad knowledge of the law to which he sometimes refers, will bear in mind the implications of this projection. Certainly this does not sound like private enterprise to me.

Mr. Speakman: Before the hon. member resumes his seat, would he tell the house in what area taxes and upkeep require this rather unbelievable amount?

Mr. Matheson: I have read from the *Globe and Mail,* which is published in Toronto. I am not familiar with the tax rates in that city but I can assure the hon. member that even in the smaller towns in Ontario, in places such as the one in which I reside, taxes and maintenance of this amount are not unusual.

Mr. Speakman: Thank goodness I live in western Canada.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I have very few remarks to make, but I do want to express my support for this measure, which increases the funds available for housing in general, university buildings, assistance to municipalities in connection with sewage disposal and for research. I am sure that the measure has the support of all members of the house.

However, I wish to make one or two suggestions. First of all I wish to support the representations of the hon. member for Welland with respect to the necessity of a reduction in interest rates. If one reads the history of housing in most western countries throughout the years, one will find that in relation to the interest rates in many other countries, ours is an extremely high rate of interest. If it is not feasible at the present time, I would ask the minister when he replies later to tell us whether consideration is being given to the provision of better homes for persons below a certain income by applying some bonus or write-off system, such as that which has been so successful under the small holdings section of the Veterans' Land Act. Good housing is essential in order to build good communities and a strong nation. I think we would be fully justified in extending a write-off provision, similar to that under the small holdings section of the Veterans' Land Act, to those building houses for their families below a certain income level and below a certain house cost level.

I should like the minister to say whether any consideration is being given to that matter. I think the state is fully justified in subsidizing that type of housing in order to meet that type of need. We subsidize a good many other things which I believe are not as essential or as urgent as housing.

In view of the response we have had from municipalities in my constituency, and conversations which I have had with others, I suggest that the present regulations with respect to loans for the building of sewage disposal facilities are rather stringent, in that they apply only to main trunk line sewers and things of that sort. Those regulations might be quite satisfactory for the cities or the towns and larger municipalities. However, owing to the nature of the installations, I have been informed that the regulations are somewhat too restrictive to allow smaller municipalities, especially incorporated villages to take full advantage of the act. I would ask the minister when he replies to tell us whether consideration is being given to changing the regulations, in view of the representations made by various municipalities and organizations.

Then I just wish to say a word or two about the promotion of more building in the smaller communities. There has been more of it in recent years. At this point I might say that I have no criticism to offer of the senior officials or local officials. As far as the local officials in my constituency are concerned, I know they are doing a very good job. I repeatedly hear extremely favourable comments.

Another thing that assists a local official in doing a good job is taking part in local activities. That factor accounts in part for the success of the local official of Central Mortgage and Housing Corporation, who is at the present time stationed at Trail. He has shown an interest in the community. He is active in several worth-while community organizations. That activity and that interest are of great assistance in his public relations and in the good will he builds up in the community. He is doing an excellent job, and I take this opportunity to say so.

I do not think we have taken advantage of the smaller communities to the fullest extent possible. I am not blaming the officials. I think the situation arises largely from lack of information or lack of understanding, especially with regard to the provision of houses for persons who are retired or who particularly want to live in these smaller places. I suggest that some further consideration be given to promoting more building in smaller communities. When I say "smaller" I mean villages with a population of 1,000 and up, in some cases unincorporated. I am thinking now of several in my own constituency which are unincorporated, having a population from 500 to 1,000, a good little fire department, their own water system and everything else. They are very frugal people and they do not become incorporated because by not doing so taxes are kept down. Their insurance rates are normal. They provide splendid opportunities in the way of sites, living space and things of that sort, for persons who wish to retire and for those who like that type of life.

In order to overcome that lack of information, I suggest it would be a good idea if officials located at various centres made themselves available, when it was possible to do so, to visit those smaller communities and have a talk with a representative organization such as a chamber of commerce, a trade union, a Rotary club or a women's institute. I may say that there is nothing like talking to women to get action, as well as inaction. I have found that to be so from my experience in life. I make those suggestions as I think more should be done to utilize the facilities of our smaller communities, which offer such splendid opportunities for certain types of persons wishing to build.

I am very glad to see this increase in the amount available for research, as this is a continuing development. Circumstances change. I think in particular more research should be directed to the possibilities, the opportunities, and the needs of the smaller communities throughout this country. This is all I have to say at this time. The other matters I wish to mention I shall take up in correspondence with the genial minister.

Mr. John Smith (Lincoln): Mr. Speaker, I should like to speak briefly on one clause on this bill, namely the clause which provides for loans to build dormitories for students at universities. I think this is an extremely important addition to the National Housing Act regulations, which was brought into effect last year and which apparently is going over very well.

At the time the regulations were brought into effect last year I raised the matter of loans for the building of dormitories for student nurses, graduate nurses, hospital aides and interns in hospitals. I have been associated with the board of governors of our hospital for a good many years, and I am well aware of all the problems in connection with getting funds to provide these facilities. Perhaps the minister has had no call for that kind of assistance; however, I feel that it is an extremely important matter.

It is true that both the federal government and the provincial government make available grants for building dormitories for student nurses. However, there is nothing in the way of loans for accommodation for graduate nurses, and the grants for accommodation for student nurses fall far short of the money that is required. In the newspapers the other day I noticed a statement to the effect that graduate nurses stood about lowest, in the matter of average income, of most professional people. That is a very unfortunate situation, because they also require good accommodation adjacent to the hospital. In order for a hospital to keep graduate nurses, interns and nurses' aides, it is important that they have housing facilities with which to take care of them. I strongly recommend to the minister that he give particular consideration to this financing. I think it is just as important as it is to help finance dormitories for students in universities.

Mr. C. W. Carter (Burin-Burgeo): Mr. Speaker, I rise to indicate general support for the general principle of this bill, and in particular for those clauses which provide for programs of sewage disposal and dormitories for universities. I am prompted to reply at this time to some remarks made yesterday by the hon. member for Okanagan Boundary. The hon. member took great pride in the amount of public funds the government is making available for housing. It seems to me this is a very strange position for a member or a party to take which prides itself on its support of private enterprise. The success of our housing program surely does not depend upon the amount of public funds invested in it. The success of any housing program must necessarily depend upon the number of houses built and whether the houses that are built are of a type that meets the needs of the people.

My hon. colleague from Nipissing yesterday, and the hon. member for Welland again today, put on record the fact that in the last three years of the Liberal regime approximately 380,000 houses were built for an expenditure of $65 million of public funds, while the last three years of the present government 415,000 houses have been built for an expenditure of $900 million of public funds. It seems to me that this tremendous increase should be a cause of disquietude. No doubt the government would not invest the money if it did not have to do so, particularly at a time when we are running into heavy deficits. The fact that this money for residential housing is of necessity taken from the public sector raises the question whether free enterprise is really alive to its responsibility to the people of Canada in this regard.

The success of the program depends not only upon the number of houses built, but also upon whether they are the right kind of houses. I was interested in a comment made over the radio this morning by a commentator, I believe it was Mr. Campbell, in which he pointed out that the number of houses being built is far in excess of new family formations. If this is a fact, then one must conclude that the extra houses are being built to replace old houses. I am sure anybody would agree there is a place for public funds in our housing program, but I believe the proper use of public funds is to provide houses for people in the low income brackets, or for those people who will perhaps have to live all their lives in rented accommodation. For them we should be supplying low rental housing.

When the minister replies I should like him to tell us what kind of houses have been built in the last few years with the $900 million that has been spent. Are they expensive houses in the $15,000 to $25,000 bracket, or are they cheaper houses for people with smaller incomes? In my own province we are particularly interested in houses for people in the low income group. I had a special interest in a housing program for fishermen which was announced some time ago but which I believe did not prove to be very successful.

I do think we should take a good look at where our present housing policy is leading us. It is all right, of course, to provide houses when they are needed, but if our housing program is determined by the necessity to create jobs, then a make work housing program in my view is not compatible with a proper policy for housing. I do hope the minister will give us some indication as to the type of houses which have been built in the main out of the public funds that have so far been expended.

Many hon. members have referred to the high interest rates and the effect these rates have on a person who is taking out a mortgage on a new home. We all hope it will be possible to reduce these interest rates. However, I do not think anybody who looks at the situation realistically can feel that this is going to happen in the very near future, because these high interest rates are a product of our present system. If we are really going to do anything about it we will have to do something about the system that produces these high interest rates. To my mind there is something radically wrong when a person who buys a $15,000 house has to pay $30,000 or $35,000 before he actually owns it. Housing is a necessity, and we should be ingenious enough to work out some system to provide housing for people without imposing upon them this tremendous financial burden.

I ask the minister to see to it that when this new commission that is going to inquire into our financial system is set up they take a good look at this problem and see what changes can be brought about in our whole financial system to correct the present situation.

Mr. Jack Wratten (Brantford): Mr. Speaker, I should like to take just a moment to support very strongly the suggestion put forward by the hon. member for Lincoln that some funds for nurses' homes should be made available from the funds we are now talking about. Those of us who are connected with hospitals know what a difficult job it is to finance nurses' homes today. While the provincial and federal governments make very generous grants, the balance of this money has to come from the municipalities. In Ontario today we have the hospital services act, and a person can enter any hospital. Where the municipality keeps up a modern hospital with every facility it has a tendency to draw patients from other municipalities. This means that the burden of the expenditure to put up these nurses' residences has to fall upon the municipality.

The way things are today, with taxes and so on, it would be a great boon to the municipalities if we could finance the balance and have it paid through the differential the hospitals receive as between private and semi-private rooms, because the only income of a hospital in Ontario today is the difference in cost between private and semi-private rooms. I know that in our own case it would be a great help to us if we could have a loan to put up our nurses' residence and pay it off on a 20 or 30 year basis under the National Housing Act.

Mr. Harold E. Winch (Vancouver East): I regret that unfortunately I had to miss the introductory remarks which were made with regard to the bill now before the house. However, I should like to bring one matter to the attention of the minister who sponsors this measure. It comes to my mind partly because on looking at the Ottawa *Journal* today I find that one of the main headlines says "Walker Predicts Boost in House Construction".

The policy endorsed by this group has already been expressed by the hon. member for Kootenay West, namely that any money is good money that goes into the construction of homes for ownership by the citizens of Canada. However, I should like to ask the minister if, when asking for additional money for home construction—a request which we are going to support—any thought has been given to the existing regulations under which the affairs of the Central Mortgage and Housing Corporation are administered. I refer in particular to cases where homes have been built with money invested on behalf of the people of Canada, and the property has been returned. I think it would be a waste of the taxpayers' money to authorize additional funds, whether under the National Housing Act or under the veterans legislation, if homes already built under subsidy with the taxpayers' money are to be left vacant.

I think there is need for the minister to take a close look at the situation which exists in the city of Vancouver, for instance. It was only because of circumstances over which I had no control that I was not able to leave the city of Vancouver until yesterday, but I can tell the minister that in all the time I was there, whether in home or in hospital, hardly a day passed when I did not receive a telephone call or a letter asking whether I, as a member of the House of Commons, knew where there was a house to rent for $55, $60 or $70. I had to say no. At the same time not three dozen blocks away from where I live—not in my constituency but in the adjoining constituency—there are homes financed by Central Mortgage and Housing Corporation which have been vacant month after month. I checked directly on this matter. They are for sale. Why should we be asked

now to authorize additional funds when the taxpayers' money has been spent on homes in the city of Vancouver which are lying vacant, although people are crying for a place to rent at a rent they can afford to pay? I know the answer. The answer is, because of the regulations under which those particular homes were built.

I raise this point at a time when we are being asked to vote another $500 million for home construction. If homes are being held by C.M.H.C. for sale which cannot be sold, then surely in the name of heaven we could rent them to our people at rents they could afford. To me it was heartbreaking to have to say "No" day after day when I knew that only a few blocks away from my own home there were these houses, owned by the government of Canada, which had been vacant for months. It made me, if I may put it this way, almost as heartbroken as I was coming from Vancouver to Ottawa yesterday in a government owned plane when I was told that some of the most wonderful food in this world was going to be thrown into the garbage pail when we arrived in Montreal, because that was the regulation. Cheese cake not cut, the finest cheese and everything else was to be thrown away because that was the regulation.

Some hon. Members: Order.

Mr. Winch: I only want to say that this is similar to government owned homes being held for sale and not rented. They too are being wasted. I know the minister cannot do anything about that waste of food, but perhaps he could do something about the waste of housing. If he cannot sell these homes then surely he could make them available to the people who want to rent them. We shall vote him all the money he likes for housing, but let us have the homes occupied when they are completed, not standing vacant.

Mr. J. R. Garland (Nipissing): I should like to say a very few words at this time. We have had several opportunities this session to discuss the subject of housing, so it is not my intention to speak for any undue length of time today. Yesterday I tried to outline the situation as I saw it. As I said at that time, we are in agreement with the principle of the bill.

However, I was very disappointed to notice that government spokesmen were again trying to create the myth that nothing was done in the housing field under Liberal administration, and that a housing utopia has been created under the present administration. I quoted figures again yesterday showing that in the last three years we were in office slightly fewer than 400,000 homes were built. In the first three full years of this government's administration, 1958, 1959 and 1960, slightly over 400,000 homes were built. I also pointed out that we were required to put in government funds to the extent of $65 million, while this government for comparable results had to put in $924 million. I observed yesterday that this was a strange example of free enterprise. Spokesmen for this government are always happy to suggest that they are the champions of free enterprise. I know that some hon. gentleman opposite perhaps misunderstood what I said yesterday. I simply wanted to point out that this was indeed a strange example of free enterprise.

I also wish to refer to a statement which was made yesterday by the minister. He tried to get some mileage out of the fact that in the United States this year housing starts are up by only 3 per cent, while in Canada they will be up to a greater degree. We are, of course, all very glad that housing construction will be up in Canada but, as is so often the case, a comparison between Canadian and United States figures is misleading. Housing in the United States had not been depressed in 1960 to the extent that it was depressed here in the same year.

We also regret that there was nothing in the minister's statement which leads us to be encouraged to hope for or expect any early reduction in National Housing Act interest rates. Apparently no government action in this direction is envisaged in the near future. It is known that we on this side have always deplored the increases in costs that are a direct result of high interest rates. This subject was dealt with very ably by my friend the hon. member for Welland (Mr. McMillan) and I need not repeat the points he made. I wish to point out, however, that a reduction of 1 per cent in the interest rate on a $12,000 30 year mortgage would mean a saving of approximately $2,300 in the cost of a home. Surely this is deserving of serious attention on the part of this government.

We regret too that the legislation contains nothing that will reduce the high cost of housing. As hon. members know the legislation merely seeks to raise the ceiling on loaning under the existing legislation. It is also a source of regret that there has been no liberalization of the legislation to bring in any new groups of Canadians and particularly those in the lower income bracket who are denied the benefits of this act.

In that vein I should point out that in 1960, 92 per cent of the borrowers under the N.H.A. had an annual income of $4,000 or more. It can be seen that the action taken

by the government scarcely meets the requirements. Certainly it fails to meet the objectives initially established by the act which was designed to assist Canadians in the lower income groups purchase their own homes. As I said, the present measure deals only with increasing the permissive ceiling.

I close as I began by saying that while we have some reservations about giving the government this much elbow room in what might well be a year preceding an election, we are in agreement with the basic principle of the bill.

Mr. Speaker: I must inform the house that if the minister speaks now he will close the debate.

Hon. D. J. Walker (Minister of Public Works): Mr. Speaker, I wish to thank hon. members of the house for the constructive criticism they have offered as well as for their praise of the terms of the bill. I wish to assure hon. members that the suggestions they have advanced, with the best of good will I know, will be given careful and thorough consideration.

To the hon. member for Vancouver East who through no fault of his own was unable to be here yesterday may I say this with respect to the Vancouver figures about which he received telephone calls while in hospital. I shall deal first with N.H.A. approved loans, that is loans under the act where the loan is made by an approved lender and guaranteed by the government. As at the end of July, there were 20 unoccupied homes; under N.H.A. direct lending, there were 60. In other words 80 N.H.A. homes in Vancouver. That is not a large number when one considers that in the city of Vancouver alone 3,011 homes were started in the first six months of this year.

Mr. Winch: Why are you keeping them vacant?

Mr. Walker: I would not suggest that a total of 80 homes out of the thousands of houses in Vancouver represents a large percentage.

Mr. Winch: It means a great deal to 80 people.

Mr. Speaker: Order.

Mr. Walker: If my hon. friend wishes to ask a question I invite him to do so at the conclusion of my remarks and urge him not to engage in a running commentary. It must be obvious even to the hon. gentleman that a total of 80 out of the vast number of homes in Vancouver represents a very small percentage to have vacant at any one time. I assure my hon. friend that these homes will be and are being filled up. Not everyone is as efficient as the hon. gentleman wishes them to be. I know my hon. friend wishes to have the facts. The existing homes will be occupied and as homes become vacant they will be filled. In the light of all the facts I think the situation in Vancouver is remarkable.

The hon. member for Welland for whom I have the greatest respect appeared to complain that there have been made available mortgages extending over periods as long as 35 years. The point I sought to make with respect to 35 year mortgages is that if Central Mortgage and Housing Corporation in its wisdom feels there is need for a mortgage of that kind one is extended. I might point out that very few have been extended. I understand that less than 100 have been made available.

With respect to the ordinary mortgage, mortgages extending over periods of 25 or 30 years, there is no restriction on the home owner. He does not have to maintain that mortgage for the full period and is free to pay it off at any time, after holding it for a three year period, simply by paying a bonus of three months' interest. Where could one find anything more conducive to saving than an N.H.A. mortgage? If a mortgage is not paid off it is because the owner does not wish to pay if off or cannot afford to. How much better it is that these people with mortgages which they can pay off over a period of 25 years should be living their years in comfort in beautiful, modern, utilitarian homes rather than living the way they used to at that period when the hon. member first became a member of parliament at which time, in many instances, they lived in degradation in hovels.

We have a new concept of housing. It is the little man this government seeks to assist. It is the little man who interests the Prime Minister—

Mr. Martin (Essex East): Ahem.

Mr. Walker: The hon. member for Essex East subscribes to what I am saying, I know.

Mr. Martin (Essex East): The hon. member has a cold.

Mr. Walker: We are interested in seeing the little man live his life in comfort and if possible in happiness. To that end we are—

Mr. Pickersgill: Would the minister permit a question?

Mr. Walker: At the conclusion of my remarks.

Mr. Pickersgill: Would the minister permit a question which is very relevant to what he has said?

Mr. Walker: At the end of my speech, yes.

Mr. Pickersgill: I was going to ask the minister if he was discriminating against the hon. member for Nipissing in talking about the little man?

Mr. Walker: Mr. Speaker, I never engage in personal remarks. I have great admiration for the hon. member for Nipissing. I do not feel that remarks such as those are appropriate even though I know the hon. member for Bonavista-Twillingate has wide latitude in this house.

I beg the hon. member for Bonavista-Twillingate to forgive me for not permitting him to ask his question initially. Had I been aware it was such a brilliant question I would have immediately yielded the floor.

The hon. member for Welland stated that in the United States the interest rate has been dropped twice within recent months. I hasten to point out that the result has been that private funds are drying up in the United States, creating a serious situation. A demand for housing is now building up in that country and cannot be satisfied because private funds have dried up. With the reduction in the interest rate this field is no longer attractive as an investment for private funds.

In the United States mortgages can be sold at a discount. Some of these mortgages which have been reduced by one half of 1 per cent are now selling at 94, 95 and 96 cents on the dollar, the latter figure being the average.

The original cut in the interest rate has been more than overcome by the fact that the mortgage is now being sold at a discount and in the final analysis the interest rate is now higher than it was before.

The hon. member for Welland (Mr. McMillan) asked about foreclosures. I know the hon. member for Vancouver East (Mr. Winch) is also interested in this. As of September 2, 1961, the claims on the fund which would result from over-all completion of a foreclosure, on the approved loans have numbered only 428. On the direct loans through Central Mortgage and Housing Corporation 262 claims have been paid. In other words, a total of 690 claims have been paid under this insurance fund although, as I have indicated, close to a quarter of a million loans have been made. Therefore, when the hon. member for Welland cries aloud at the havoc being wrought on the poor unfortunate person who has bought our houses, being induced to do so by the blandishments of the Minister of Public Works, may I say that they are not doing too badly when out of that number only 690 claims have been paid.

I should like to say a word also about the point made by the hon. member for Welland who I thought was here yesterday. He claimed that there were too many vacant houses. In this assertion he was joined by many other hon. members. The fact remains that in February of this year there were 4,913 vacant dwellings, whereas in August of this year—and these are the latest figures we have been able to collect—there were 3,902 vacant dwellings. In other words, in a period of six months there was a drop of a thousand in the number of vacant dwellings in spite of the fact this tremendous building program has been carried on in the meantime. This all indicates that there is no overproduction in houses at the present time owing to the policy of the government which refused to have Central Mortgage and Housing Corporation make any loan to any builder for speculative purposes. No house can be built by a builder with a loan from Central Mortgage and Housing Corporation unless that builder has a buyer who has signed a contract to occupy and pay for the house.

Many other points were made; perhaps they might be referred to when we take up the questions in some detail in committee. May I say a word about the remarks of the hon. member for Nipissing (Mr. Garland). I say he has retreated from the stand he took yesterday. If he has not, let him explain it. Is he saying now that we should not continue to make loans in the way that we are making them; that we should cut down on making direct loans for the building of public housing? I will take my seat if the hon. member would like to answer those questions.

Mr. Garland: The minister can easily find out what I said if he will read *Hansard*. The report is very clear.

Mr. Walker: I have read *Hansard*. It seems abundantly clear that the hon. member who represents the official opposition has indicated that in the opinion of the official opposition this government is making too many direct loans to enable Canadians to own their own houses.

Mr. Garland: On a question of privilege, Mr. Speaker, this is a completely false statement.

Mr. Walker: If the hon. member can read to me any part of his remarks which indicates that my statement is false I shall be glad to hear it. Here are the horns of the dilemma on which the hon. member for Nipissing, the spokesman of the official opposition, finds himself. He says, let us have a lower interest rate, which means that if we have a lower interest rate we will have less private lending

for housing and therefore fewer housing units unless, when private lending drops out as it did in 1959, the government steps in even further than it has up to the present time. This year, with an interest rate of 6¾ per cent, the government will be lending $300 million, or 40 per cent of all N.H.A. direct loans.

The moment the interest rate is cut private lending dries up. There is not enough private lending even at 6¾ per cent. You cut the interest rate, you cut the private lending and the government has to participate to the extent of more than the $300 million it anticipates it will be participating in this year. Therefore, if the hon. member for Nipissing is correct and we should have lower interest rates the result must be greater participation. On the other hand, and out of the other side of his mouth but with absolute sincerity and with a certain amount of good nature, the hon. member says that the government should have less participation. There is no question about that. He said it.

Mr. Garland: That is not correct; that is not what I said.

Mr. Walker: I have read it twice. The hon. member can correct me if I am wrong. How are you going to get more private lending unless you raise the interest rate even higher than it is at the present time. Or this may be the solution of my hon. friend: he may feel there should be a real shortage of government funds and a real shortage of private lending so that we would not have enough mortgage lending to supply the very real demand of the Canadian public for new houses. Take your pick. What does the hon. member mean?

Mr. Garland: Will the minister permit a question. Does not his government even at this late date accept any responsibility for fiscal and monetary policy and does he not agree that it is entirely responsible for the high interest rates in this country.

Mr. Walker: I know my hon. friend would like to drag a red herring across the trail of this housing debate but nevertheless let us just keep to the subject.

Mr. Garland: Why not answer the question.

Mr. Walker: Ask Mr. Coyne; he will answer the question.

If, as my hon. friend from Nipissing suggests, there should be lower government participation, then there must be more private lending. If there is to be more private lending—and up to the present time private lenders have lent only 60 per cent of the public demand for N.H.A. loans—then we shall have to raise the interest rate above 6¾ per cent; in order to get more lending we must raise the rate. Surely even my hon. friend does not want us to raise the rate above 6¾ per cent. On the other hand, if he wants less mortgage funds then, of course, fewer houses are going to be built. You cannot have it both ways. Either you lower the interest rate, with less private lending resulting and more government lending taking place or in the alternative, and my hon. friend suggested this, with less government lending you must have more private lending plus a higher interest rate or the final result is less housing.

We have had a very remarkable year this year for this reason. All construction except in the field of housing—and the figures went in yesterday—was down very materially. Housing has led the way in all construction, we suggest, for the benefit of the Canadian public, for the benefit of the little man who wants a house, and at the same time it has afforded employment in N.H.A. fields of 120,000 man years of work.

If we obey the suggestion of most hon. members of the opposition that we should lower interest rates, what is the situation going to be? I recall it as a nightmare. When I became the minister in August of 1959 the interest rate had been set at 6 per cent and the rate had become unrealistic because the interest rate on bonds had gone up, as my hon. friend knows, with the result that a rate of 6 per cent was unattractive. So far had the interest rates on bonds gone up that even the banks withdrew. They would not lend any money at 6 per cent and loans by private lenders just dribbled out.

One of the things that I am perhaps responsible for was the government offering to take the place of private lenders in 1959 in order to keep housing going and afloat. We disliked raising the interest very much so we kept it at 6 per cent. As a result the government had to enter the field of direct lending that year to the extent of $343 million until, as the hon. member said the other day, we finally exhausted the amount allocated by parliament and were not able to get a new bill before parliament in time.

That is the kind of situation that I dread seeing happen again. I should certainly like to reduce the interest rate and just as soon as I can get advice from the experts which makes it appear to me to be feasible we will reduce the interest rate. We are very anxious to reduce the interest rate. However, with the experience in 1959 involving an unrealistic rate which I have related and with the experience of the Kennedy administration at the present time, which arbitrarily reduced the interest rate by half of 1 per cent with ensuing tragic results, I say to the

hon. member for Nipissing and all other hon. members that, much as we would all like to reduce interest rates, it is not possible to do so at this time. If we can bring down the interest rate on long term federal bonds and on other securities of a like nature, we will reduce the interest rate on mortgages just as soon as that happens. Let me say to the hon. member for Welland (Mr. McMillan) that if in the meantime people do not want to pay for 25 years and they are industrious, as I know the hon. member for Welland has been all his life, they can pay off the whole or any part of the capital sum at any time after a period of three years by paying a bonus of only three months' interest.

The clauses in the bill are four in number and they are very simple. I will be most happy to attempt to answer any questions that arise when we are in committee. I do not want anything I have said today to be taken as an attempt to try to show up anyone. I am simply trying to explain the very difficult problem of housing which occupies more of my time than public works and the national capital commission put together.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Chown in the chair.

On clause 1—*Advances out of C.R.F.*

Mr. Garland: I should like to ask the minister two or three questions at this time. Can he say what is the largest number of houses financed by Central Mortgage and Housing Corporation in any one subdivision in the last 12 months?

Mr. Walker: I have no idea, but we will be glad to get that information and send it to the hon. member.

Mr. Garland: The minister has his officials in front of him now and perhaps he could tell me whether there would be any instances where more than 50 loans were made in one subdivision in the last 12 months?

Mr. Walker: Yes, there would be.

Mr. Garland: Can the minister say how many projects would have benefited to the extent of more than 50 loans and where they are?

Mr. Walker: We will put a staff together to find that information and give it to the hon. member.

Mr. Garland: Can the minister tell us the value of the mortgages that have been sold to the chartered banks this year by C.M.H.C.? I think the minister referred yesterday to a total of approximately $22 million in mortgages that were sold in the two offerings that were made, one in June and the other in August?

Mr. Walker: I would think there were very few, though I understand there were some. The banks have the opportunity to lend money at 6 per cent at any time. They do not have to charge 6¾ per cent, but even with that privilege they have not seen fit to make very many loans because it is not an attractive rate to them.

Mr. Garland: Perhaps the minister misunderstood me. How many mortgages did the banks buy, if any, in the offerings that were made in July and August?

Mr. Walker: We do not have that information and it would be very difficult to obtain because, as my hon. friend knows, some firm, institution or lending company could buy them and then sell them to a bank. We do not know exactly where some of these mortgages end up.

Mr. Garland: Can the minister tell us how many mortgages with a 35-year amortization period have been taken out since the legislation was changed last November?

Mr. Walker: Could the hon. member ask another question while we are looking that up?

Mr. Garland: I will be glad to defer to someone else.

Mr. Carter: Has C.M.H.C. a regulation which states that in a subdivision at least half of the lots must be 50 feet in width? If this is so, in view of the fact that in metropolitan areas the price of land is from $100 to $110 a foot, can this regulation not be modified? While the minister is replying, will he also reply to the question I asked yesterday about including family allowances in income with respect to low rental housing?

Mr. Walker: I understand that of necessity C.M.H.C. is forced to include family allowances as income because in a great many of our subsidized dwellings we have people in the lower income brackets who are unable to afford the normal rent for the accommodation they are receiving and a great deal of their income is made up of receipts from various welfare sources. It is therefore deemed expedient to include family allowances as well. Does that answer the hon. member's question?

Mr. Carter: Yes. The other question I asked was about the regulation with respect to 50 feet frontage.

Mr. Walker: Oh, yes. There is no minimum of 50 feet frontage. Also, as the hon. member

who is interested in the situation in Newfoundland knows, the $5,000 house which we had and which we thought might have some success, has not caught on at all.

Mr. Howard: In closing the debate on second reading, I guess as ministers are wont to do from time to time, the minister held out the prospect of a possible decrease in interest rates if interest rates in other fields could be lowered. I wonder whether at this stage he could give the committee any indication of what advice he might have in this regard with respect to a lowering of interest rates. Is it considered to be a possibility in the near future or is it perhaps wishful thinking more than anything else?

Mr. Walker: I find it a bit difficult to forecast that matter. That is more a question for the Minister of Finance. The treasury bill rate, for example, went down for a short time and we thought this situation was going to be all right or that it was a good indication. Then it flattened out again. It is difficult to say what will happen this late fall. I would hate to prognosticate. However, we are certainly keeping a sharp lookout.

Mr. Howard: I know that the Liberal party has advocated the lowering of interest rates on home building loans and has attached great blame to the ministers and the government for having raised them a while ago to 6¾ per cent. It is an admirable thing to advocate the lowering of interest rates. However, it seems strange to me, coming as it does from a party which, when it was in office and when Mr. Harris was minister of finance, did exactly the same thing with regard to interest rates on N.H.A. loans by raising them up to 6 per cent. I believe that that was done in 1956 or 1957. I am not sure of the time. They used precisely the same argument that the minister used for raising interest rates to 6¾ per cent, notably that maintaining it at the level at which it was prior to its being raised to 6 per cent—I forget what it was then; I think it was 5¼ per cent or 5 per cent or something of that nature—it was in fact drying up money from private sources for investment in the home building program.

That is precisely the argument the Minister of Public Works has used for raising the interest rate to 6¾ per cent. If I read his words correctly, he said that if private funds declined even more than they have declined at the moment, the possibility exists of raising interest rates again in order to make it more lucrative for private investors to invest their money in home building loans. It therefore seems to me that when the Liberal party, with the political philosophy or economic philosophy it has, talks about lowering interest rates and how it is going to do it, I think it is talking through its hat if it maintains the economic philosophy it has.

The Minister of Public Works is more direct and open in this matter. At least he says, now that he is in office, that he or his government has relatively little to do with interest rates, that they are influenced by private organizations and institutions outside of the regulation of government itself, and that therefore it is those factors and those forces in the financial field outside of government and outside of parliament which are really forcing interest rates up and that the government can do relatively little about the matter.

I just make that passing comment in order to say that if either of those two parties, namely the government or the official opposition, are advocating lower interest rates, they have in effect, defeated their own argument by attaching themselves to the economic ideology which they have adopted.

Mr. Walker: May I say that it is better than having no ideology at all. The New Democratic party obviously had no statement on housing at their convention.

Mr. Howard: That is not right, Mr. Chairman. If the minister had had that intense interest which he should have had in political events in this country, he would have found out that the statement he just made a while ago is incorrect, as are many other statements in this field.

The Deputy Chairman: Shall clause 1 carry?

(Translation):

Mr. Brassard (Lapointe): Mr. Chairman, I simply wish to add a brief comment. The N.D.P. starts off with a clean slate in just about every field. I hope that God will let me live long enough to see its members try and get some achievements, other than the sort of speeches they have been making since they came here and since the new party was founded.

(Text):

Mr. McMillan: I should just like to ask the minister about the secondary mortgage market. What is the amount that has been sold and what is the price obtained? For instance, what was the yield to the buyer?

Mr. Walker: I will look the matter up in my speech yesterday and give my hon. friend the page number and line number. I just cannot lay my hand on it at the moment. However, I referred to the matter yesterday.

The Deputy Chairman: Shall clause 1 carry?

Mr. Simpson: Before the clause passes I wonder whether the minister can give some indication whether further consideration will

be given to the question I raised about the unavailability of loans in the northern communities.

Mr. Walker: I want to thank the hon. member for Churchill for raising this question. It is a great problem. Thompson is being developed by the International Nickel Company. After all, when a company wants to gamble on developing a mine in the north country, one can naturally expect that the company and not the Canadian people should bear the risk involved in building houses. Hence, after our experience in Elliot Lake where some of the houses were guaranteed by the companies and some were not guaranteed by the companies, we are now seeing to it that any houses that are built in that area are guaranteed by the International Nickel Company, if they are for their employees.

Their attitude has been that International Nickel is interested in building up a townsite there and if any houses are to be built they should guarantee them, because if they are so certain of the future of the town they should have enough faith in the venture to guarantee any houses that are being built. If they have not enough faith in it, certainly the Canadian people should not be asked to bear the risk, because after all, all this money we are lending comes from the Canadian people.

Mr. Pickersgill: Mr. Chairman, could I ask the minister how the government makes the distinction between building houses in an International Nickel development in Manitoba and building a railway for the Consolidated Mining and Smelting Company in northern Alberta?

Surely the minister would admit that the same consideration for the taxpayers should apply in the case of the railways as applies in the case of providing the first necessity of people, namely housing. That concern for the little man, whatever he is, that the minister was sobbing about a little while ago does not seem to be very well borne out by this contrast between the huge amount of money the taxpayers were asked to risk in the bill before us last night—

Mr. Fulton: Why were you not here to vote on that bill?

Mr. Pickersgill: —and this hard-fisted attitude with regard to people's housing.

Mr. Walker: Mr. Chairman, I noted that the members of the official opposition and in fact all hon. members of the house were in favour of the Pine Point railway except the hon. member for Bonavista-Twillingate.

An hon. Member: He was behind the curtain.

Mr. Walker: Yes, we saw his head protruding from behind the curtain. He did not take any part in the vote. Now he is able to get up like a big, brave man in the House of Commons and make this suggestion. Nevertheless, we are getting along very well in Thompson and the International Nickel Company has so far stood behind every house that has been built up there.

Does that please my hon. friend, or is he displeased? Does he feel we should not insist that International Nickel should guarantee these houses and that the Canadian taxpayer should guarantee them instead?

Mr. Pickersgill: The hon. gentleman is very good, of course, because he has had a great deal of experience, in putting words into other people's mouths. We heard the words the minister put in his mouth—

Mr. Walker: You put your foot in your mouth.

Mr. Pickersgill: —and we put the correct interpretation upon them and realized that he had also put his foot in it.

Mr. Fulton: You are a little late.

Mr. Pickersgill: The minister chose to make an unnecessary and gratuitous personal reference to the fact that I was not present for the vote last night. I am very glad he did because I think another reference was made in an oblique way by the parliamentary secretary to the Minister of Finance. I am only too happy to tell the minister that I did not bother staying for that vote. I was not behind the curtain. I was at home before that vote was completed watching the splendid film on Newfoundland which was shown by the C.B.C. for an hour, and which I think was worth a lot more than a totally unnecessary vote taking up the time of this house when everyone in the house had indicated that they were in favour of the bill. But this is characteristic of the way in which this government has wasted the time of parliament ever since we met last November.

The Deputy Chairman: Shall clause 1 carry?

Mr. Simpson: Mr. Chairman, just before this clause obtains the approval of the committee I should like again to ask the minister to take a further look at the situation which I have brought to his attention. I think it is all very well to say that the International Nickel Company should have faith in their development, but I am not here pleading for the International Nickel Company; I am pleading for the people who are going into

that area to make their homes. A good portion of these people are not going to be employees of the International Nickel Company.

I think we must adopt a policy not only for Thompson but for other places in the north. I can see the logic in Central Mortgage and Housing Corporation feeling that some of these places are to their mind not too good a risk, but the north must be developed and as the years go on these new developments are going to come into being. We must find a policy which will allow people going into these areas to take advantage of the facilities of corporations such as Central Mortgage and Housing.

Many of the people who are going in there are staking their future on it. They want houses, and I think they should be given the opportunity to make application and have their applications approved, whether they are guaranteed by the mining companies concerned or not.

Mr. Walker: Mr. Chairman, I will be glad to look into this matter further. The hon. member for Churchill is a very conscientious person.

(Translation):

Mr. Valade: Would the minister tell us if he has received projects of urban redevelopment from the authorities of the city of Montreal? Would the minister give us the information now?

Mr. Walker: Yes, we have received two of them.

Mr. Valade: Would the minister say if those projects are part of an over-all program for the city of Montreal or separate projects not included in an over-all plan for the city?

Mr. Walker: We have not yet received an over-all plan; these are separate projects.

(Text):

The Deputy Chairman: Shall clause 1 carry?

Mr. Garland: I wonder whether the minister is now in a position to say how many instances there have been where more than 50 loans have been made in one particular subdivision in the last year.

Mr. Walker: Mr. Chairman, we will have to dig through our files right across Canada for that information, and we shall be happy to do so.

Mr. Garland: That will not be necessary, Mr. Chairman. I wonder whether the minister could say how many mortgages have been sold in 1961 in the United States by Central Mortgage and Housing Corporation.

Mr. Walker: None, Mr. Chairman.

[Mr. Simpson.]

Mr. Valade: Mr. Chairman, because of the eloquent reply in French of the Minister of Public Works I wish to congratulate him. I should like him to specify whether the projects asked for by the city of Montreal were in the east end or in other parts of the Montreal region. Was this specified in the plan?

Mr. Walker: The southwest part of Montreal.

Mr. Garland: Mr. Chairman, could the minister say what percentage of mortgages has been placed to date in 1961 with borrowers earning more than $4,000 a year. What is the information to the latest date that the minister might have available?

Mr. Walker: Mr. Chairman, as reported at page 8488 of *Hansard* for yesterday, the second paragraph, I pointed out that this year so far 36.3 per cent of National Housing Act borrowers have had annual incomes of $5,000 or less. The hon. member wishes the figure in relation to an income of $4,000?

Mr. Garland: Yes, my question had reference to an income of $4,000 and over. I wanted to see the trend. Last year, according to the minister's own figures, 92 per cent of all the mortgages placed were placed with borrowers earning more than $4,000 a year.

Mr. Walker: The hon. member fails to point out that people with incomes of less than $4,000 are fitted into federal-provincial projects or subsidized housing when we can do so, but even there they are in apartments. People with such incomes feel they cannot afford to buy dwellings in urban municipalities. They prefer to live in apartments.

Mr. Garland: Is it not a fact that they simply cannot comply with the regulations of C.M.H.C. as far as income is concerned?

Mr. Walker: If they can get a house small enough and a lot cheap enough, they can comply. The hon. member knows the regulations in connection with that.

Clause agreed to.

Clause 2 agreed to.

On clause 3—*Limits on payments out of C.R.F.*

Mr. Pickersgill: The minister will recall that we had some discussion on the last occasion he introduced an amendment to the housing act early this session when provision was first made for loans for university residences. I wonder if he could tell us now how many of these loans have been made and how many students will be accommodated as a result of them. Could he also place on record in *Hansard*—if he has not got the information

now a later date would be satisfactory—a list of the institutions to which loans have already been made and also a list of all the institutions which are eligible for these loans?

Mr. Walker: Yesterday I gave all this information and put it on record with the exception of the institutions to which loans were actually made. I think the hon. gentleman also asked for a list of the institutions which have applied.

Mr. Pickersgill: The minister will recall, perhaps, that last year we had a good deal of discussion on this point. There was some misunderstanding about which institutions were eligible. I am sure that has all been cleared up in the meantime. I do not want the minister to read the names out, but if he would indicate either today or at the first opportunity which institutions qualify and place on record in *Hansard* a list of those institutions which are eligible, and also a list of those to which loans have already been made, I should be grateful.

Mr. Walker: I shall be glad to do that.

Clause agreed to.

On clause 4.

Mr. McMillan: I had an inquiry from two municipalities and they want to know what interest rate would be charged on these loans for sewerage projects. The minister did not give the amount yesterday—he said it would be very little more than the government paid. I wonder if he could tell us now what interest rate is being collected on money paid out already in respect to sewerage projects.

Mr. Walker: It is 5⅜ per cent.

Mr. Garland: The minister will recall that there was provision in the legislation which was the subject matter of this clause for 25 per cent of the capital and interest to be forgiven if the project was completed by the end of March, 1963. Did the government give consideration to the extension of this date when they were considering this amending legislation?

Mr. Walker: No, Mr. Chairman, because this incentive was given in order to alert the Canadian people, the municipalities and the town councillors to the urgency of this great problem of pollution and sewage of disposal; it was intended as an incentive to get them into the plan and, in addition, to improve the employment situation. The provision has been very successful and a great deal of employment is being created.

Clause agreed to.

Title agreed to.

Bill reported.

The Acting Speaker (Mr. Chown): When shall the bill be read a third time?

Mr. Pickersgill: By leave, now.

Mr. Walker moved the third reading of the bill.

Bill read the third time and passed.

CIVIL SERVICE ACT

The house resumed from Monday, September 18, consideration in committee of Bill No. C-71 respecting the Civil Service of Canada—Mr. Fleming (Eglinton)—Mr. Chown in the chair.

The Deputy Chairman: When the committee rose last night we were considering clause 7 of the bill and an amendment proposed thereto by the hon. member for Ottawa East.

(Translation):

Mr. Brassard (Lapointe): Mr. Chairman, I have promised the parliamentary secretary not to take too much time to express the ideas I might have on this matter.

First of all, I must say that I support wholeheartedly the amendment moved by the hon. member for Ottawa East (Mr. Richard). I think it would not be too difficult for the government to grant civil servants the right to negotiate, for we have already granted the same right to the employees of certain crown corporations, such as the C.N.R., the C.B.C., and some provinces have even done the same.

The Quebec government, for instance, recently granted, in the case of the Quebec hydro commission, the right to hold direct negotiations between the commission's representatives and those of the employees association. I cannot see why the people who are directly engaged in government service, in the various departments of the federal administration, are treated in a different manner from those who work for crown corporations. Employees in various government departments serve their country and their fellow citizens just like those who are with the commissions and crown corporations, either federal or provincial.

Some people oppose recognition of this right which is fundamental in my opinion for government employees, on the grounds that this would open the door to possible strikes.

It is true that a strike of public service employees or civil servants could cause considerable prejudice to the general public and, in some areas, could even deal a hard blow to the country's economy.

However, I do not feel that civil servants want to strike and this is not only my personal opinion, because my statement is based on a brief submitted to the special House of Commons committee by the civil service association of Canada. I would simply like to quote paragraph 69, 21 of that brief:

(Text):

Another dissenting opinion is based largely on the premise that a strike could not be tolerated in the government service. We strongly emphasize that the strike is not now, nor ever has been an issue. Government employees, with some very minor exceptions, do not wish to strike. Rather we prefer impartial arbitration as a method of resolving differences.

(Translation):

I would also like to quote in that regard a paragraph from a study by Mr. S. J. Frankel, entitled: "Arbitration in the British Civil Service", on page 211 which reads as follows:

(Text):

Looking back over 35 years it is clear that arbitration has made a decisive contribution to the development of reasonable and harmonious staff relations. In a society that accepts the full implication of trade unionism it is extremely important that no large body of employees should feel that it is in an inferior position merely because its employer happens to be the state. In a sphere of public activity where the strike would be regarded as disproportionately disruptive, if not intolerable, arbitration seems to offer a fair and reasonable alternative.

(Translation):

There is another objection some people have against the right to negotiate. They say that it would infringe on parliament's authority and supremacy. Here again, the civil service association made a very specific suggestion as shown at page 22 of the brief I mentioned a moment ago, and I should like to read paragraph 73 on the same page, it reads:

(Text):

In the light of the long established and zealously guarded traditions of parliamentary supremacy under the British system, any fears that negotiation and arbitration would in any way invade or lessen parliament's right are completely unfounded. As a safeguard against any possible threat to the supremacy of parliament, the British long ago settled any question of constitutional concern through the acceptance by all concerned of the following formal agreement:

"The establishment of Whitley Councils (i.e. direct negotiation) cannot relieve the government of any part of its responsibility to parliament and ministers, and heads of departments, acting under the general or specific authority of ministers, must take such action as may be required in any case in the public interest. This condition is inherent in the constitutional doctrines of parliamentary government and ministerial responsibility, and ministers can neither waive nor escape it".

(Translation):

I believe, Mr. Chairman, that the rights and the authority of parliament and of the representatives duly elected by the people, are well protected.

As I just said, the United Kingdom found a solution to this problem a long time ago, and I feel that we cannot accuse the mother of parliaments of being unconcerned with the rights of the representatives of the people. New Zealand and Australia have followed its example.

If a disagreement arises between the employer, who is the government, and the employees of the government, this is what happens: in most cases, the employer, having considered the requests made by the employees, establishes himself as judge in the dispute which has arisen between the two parties. While he is the employer, he sets himself up as judge, and I am of the opinion that this situation is completely abnormal.

I believe that the right to direct negotiations should be granted to the association of employees. A conciliation board, independent from the civil service commission, should be set up and, if a conciliation board is not desired, a standing committee of the house could hear the representations following the negotiations, the whole matter being submitted for the approval of parliament, should it be deemed necessary.

It is an honour and a privilege, it is true, to work for one's country. These civil servants of Canada, as many foreigners have stated again and again on various occasions, are second to no other civil service groups in other countries of the world. However, this honour and privilege of dedicating one's life and efforts to the service of one's country should not put the civil servants in an inferior position in relation to their fellow citizens who have taken up employment in private industry.

The government of Canada is one of the largest employers in the country. Hence, it is its duty to set an example for private enterprise not only by maintaining its already cordial relations with its employees, but also by granting them the right to direct negotiations with their employer, and the right of appeal before a conciliation board.

I know that this cannot be accomplished overnight, but I ask the government to reconsider its stand on this problem, so that, at the next session, employees of the federal government can be placed on an equal footing with employees in private enterprise.

(Text):

Mr. Howard: Mr. Chairman, we naturally support the amendment placed before the committee. As is well known the C.C.F. has consistently advocated bargaining rights for employees not only in the public service of

Canada but of the provinces as well. In previous sessions and again this session I have placed on the order paper bills designed to give employees in the public service the right to bargain collectively and to have to a degree a say in the determination of their destiny, in bargaining and in reaching collective agreements with their employers.

It may be that the ideas we proposed are not acceptable in detail and as expressed in previous debates there may exist some disagreement concerning methods and concepts. However, I shall concern myself solely with the principle of the right of employees in the public service to have, as far as possible and practical, the same rights granted to employees in industry and in crown corporations.

We welcome the support latterly given to this concept by the Liberal party. We wish hon. members of that party well in their endeavour and hope that jointly we can convince the government that collective bargaining for employees in the public service should be established.

We should be concerned with equality of treatment among Canadians. I do not think that we can or should differentiate between employees engaged in different types of endeavours. All should have equal rights. A great deal of dissatisfaction develops in the public service of Canada and of various provinces because there is a relatively narrow channel through which those employees can find relief with respect to their particular grievances or to their concepts and ideas of what should be their wages, hours of work and working conditions. I suppose it is possible, and it has been done, to refer to what has occurred in other countries and what has been the experience in another part of Canada with respect to this matter, but I do not know whether that would buttress the argument any more than it has been reinforced at the moment. If we retain the concepts of equality of treatment and attempt to work toward that end we shall be accomplishing far more than we shall accomplish by quoting statistics, figures and systems which may exist in some other parts of the world.

Some years ago the parliament of Canada decided by the enactment of the Industrial Relations and Disputes Investigation Act that employees working in industry and in crown corporations would have certain rights and freedoms, one of which was the right to band together for their mutual protection within a trade union of their choice. This we think should extend and apply to the employees in the public service of Canada, and it does. There is that right of forming associations, organizations or unions of employees within the public service, and they have the advantage of that.

The Industrial Relations and Disputes Investigation Act also states that if the employees can show to the labour relations board that a majority of them are members of a particular union, that union is entitled to receive a certificate of bargaining authority. We think this should be the law applicable to the employees in the public service also and there should be equal treatment there.

In industry and in crown corporations the employees have the right, through their bargaining agent, to sit down with their employer and bargain collectively for a collective agreement. We think that in this regard there should be equality of treatment, and there should be freedom of opportunity of individual groups within the public service to do the same thing and have their employer, the crown, sit down and bargain with them.

We think the Industrial Relations and Disputes Investigation Act says that an employee shall not be subject to pressures and manipulation by his employer. We think that should be the approach to the problem of the employees in the public service; that they should not be subject to having to go with cap in hand and consult with the Minister of Finance or with anybody else on what should be their just, fair and equitable wages, hours of work and working conditions. We think these things and agreement on them can be reached by the process of open, sincere and honourable collective bargaining between organizations representing employees in the public service and the government itself, or a representative group of the government, just the same as exists in industry and in corporations, and this is the thing that we should like to see.

In so far as strike action is concerned, we feel that this is one field—perhaps it is the only field—in which there should be a difference of attitude and policy in existence, and that in the public service of Canada there should not be the right to strike. Perhaps this is the attitude of the vast majority of people in the public service of Canada. We think there should not be that right to strike, to use the withdrawal of their ability to work as a final means of obtaining a collective agreement such as exists and takes place from time to time in industry and in crown corporations. We think that in substitution therefor there should be the right of arbitration, the right of employees concerned, through their respective organizations, to present their statistics, their arguments, their reasonings and their briefs to a tribunal and the right on the part of the crown to present arguments, statistics, and so forth on behalf of its proposals and the right of the employees of the public service of

Canada to receive a decision by arbitration if necessary as to what should be contained within a collective agreement and what should be their wages, their hours of work and their working conditions.

We think it is unfair and certainly neither in keeping with the spirit which we had when we enacted the bill of rights, nor in keeping with the spirit which is contained within the words of the bill of rights, to have upwards of 130,000 employees in the public service of Canada placed in a category of being in fact second class citizens as compared with the rest of the people of this country.

If this government believes in what it believed when it enacted the bill of rights I think it is time to extend that degree of decency and equality to people in the public service of Canada.

The Deputy Chairman: Is the committee ready for the question? The question is on the amendment.

(Translation):

Mr. Allard: Mr. Chairman, I should like to add but a few words to what previous speakers have already said about this amendment.

In reading over again the proposed amendment, which is found on page 8023 of *Hansard* of July 13, 1961, I note that it contains important elements, which are in keeping with the development of rights and freedoms in Canada, particularly in regard to employees.

I have already had the opportunity of taking a stand on that matter, at a civil servants' meeting held in Sherbrooke last year, and I should like to repeat today my attitude towards that problem. I consider that, in the field of rights and freedoms, there has sprung up, as from a valve, a quite natural and logical explosion, a bill of rights, introduced by the Prime Minister (Mr. Diefenbaker), which, actually, has given substance to everyone's needs before the law, and to the prerogatives of all Canadians, regardless of class—but I see in this amendment, as I said, absolutely essential elements which are in keeping with the development of our labour code, and with our social evolution within the present Canadian context.

I have already taken a stand publicly on the matter, in Sherbrooke, and I do so today in the House of Commons, in favour of collective bargaining for civil servants, in order that they may be on the same footing as other workers in private enterprise.

However, I find that in the amendment, as introduced, one reservation is lacking, and that is why I find it incomplete.

[Mr. Howard.]

Therefore, I should like to point out, as I did in Sherbrooke at that meeting of government employees, that personally—right or wrong?—I am firmly opposed to any kind of strike. Of course, I am in favour of negotiations, I am in favour of arbitration, but I am opposed to the right to strike for government employees, because I want to ensure efficiency in government operations and security for all.

In the last decade, we have but too often heard of groups of government employees calling a strike at some crucial moment, in certain countries, thereby placing their government in a very dangerous position economically and even threatening public security.

That is why I would have liked a more complete amendment whatever the machinery that would make government employees give up the right to strike. Having met over 400 government employees with whom I discussed the matter in the eastern townships, last winter, I can tell you, Mr. Chairman, that all were in agreement and energetically demanded the right to negotiate and to arbitration; but they all felt also that the right to strike should be given up.

Mr. Caron: Mr. Chairman, just a word to reassure the hon. member for Sherbrooke (Mr. Allard) who just sat down. He said that he discussed the matter with government employees in his district. I can tell him that we, in the committee, met the spokesmen of all the civil service employees and that they do not want the right to strike. The only group which asked for that right was that of the postmen, whereas, the others were flatly opposed to striking.

I entirely agree with the hon. member for Sherbrooke, and the same situation exists in the province of Quebec, where civil service employees are not given the right to strike. I think civil servants should not be given this right. But, if arbitration is granted, they will never be tempted to call a strike, because we must keep in mind that those employees are in a class different from that of industrial workers, and their problems can always be settled to better advantage by discussions in the House of Commons. I therefore think that they would be satisfied if they did not obtain the right to strike. Indeed, they have no intention of availing themselves of this right, even if it is not prohibited by law.

(Text):

Mr. Macdonnell: Mr. Chairman, I want to say a word or two. More than once in this

debate the words "second-class citizen" have been used. I want to comment on that for a minute. I point out first of all that civil servants of their own motion have indicated that they do not wish the right to strike. For that I applaud them. Second, may I say that I have had a fair amount to do with civil servants through working with them and I have always enjoyed our association. I have always felt that we were working together in the public interest and that there was something in the quality of their employment which did not exist in any other kind of employment that I knew. While I am not going to say more about the use of the phrase "second-class citizen", I regret its use very much. I feel exactly the opposite about civil servants, and I say with deference that I hope that those who have been using that phrase will abandon it.

Mr. Howard: I should like to comment with respect to that matter. I am one of those who have used the phrase "second-class citizen". I think the hon. member for Greenwood perhaps misunderstood my application of it. I hope he did. At no time have I considered that employees in the public service are second-class or any other than first-class citizens, together with all other people in this country. What I said was that by virtue of denying these people the opportunities and the rights that exist for other employees, as other clauses in the bill will also indicate, we are in fact treating them as second-class citizens by saying that they do not have equal rights, privileges and responsibilities with other citizens of our country. My use of the phrase was not for the purpose of designating civil servants as second-class citizens but I say that this is in fact what happens when we deny them the rights that other people have. These words have been used on a number of occasions during discussions I have had with employees in the public service who consider they are treated in this way by the government, but I am not applying these words to civil servants as a class of people.

(Translation):

Mr. Denis: I should like to add a few words to what the hon. member for Hull (Mr. Caron) said earlier to the effect that the group of civil servants which asked for the right to strike was the postal workers group. I take the liberty of pointing out that if the postal workers associations have come to that conclusion, it is because of all civil servants, postal workers are about the worst treated at the present time.

When the Post Office Department's estimates were under consideration, I mentioned a great many reasons why postal workers were complaining, criticizing and asking for better working conditions.

When an association or a group of citizens is desperate, it is not surprising that at one point they should ask for the right to strike. I shall come back to this matter when we discuss the provisions relating to leave.

I should just like to give you an example to illustrate what the situation is. What should we think of the fact that postal employees lost their statutory leave because it fell on a Saturday or a Sunday, or that seasonal and part-time postal employees were compelled to pass examinations even though they were working only two, three or four hours a day? What should we think of the explanation which was given at the time, namely that since they were getting the same pay boost as regular employees, it was only fair that they should pass examinations?

Under the circumstances, they asked—and rightly so, in my opinion—for annual leave just like regular employees. That request was also turned down on the grounds that leave with pay is not calculated according to the salary earned.

Those are only a few of the reasons I put forth when we were examining the Postmaster General's estimates, to show that if there is a group of civil servants which is being unfairly treated by the present government, it is definitely that of postal employees.

(Text):

Amendment (Mr. Richard, Ottawa East) negatived: Yeas, 10; nays, 42.

Mr. Howard: Mr. Chairman, I wonder whether I could raise a point of order. I do not do so to be objectionable about the matter but because the same thing has happened before. I do not wish to mention any hon. members by name but I noticed, as I am sure other hon. members did, that during the time the vote was in progress at least four members entered the chamber. It is my understanding that this is contrary to the rule and I think the rule should be observed.

The Deputy Chairman: I thank the hon. member for Skeena for bringing this to the attention of the committee. This is a true interpretation of the rule and those hon. members who are starting the bad practice of entering the chamber after the vote has been called should desist in the future if they will, please. Shall clause 7 carry?

Mr. Caron: On division.

Clause 7 agreed to.

Private Bills

The Deputy Chairman: It being five o'clock, I do now leave the chair in order to permit the house to proceed to the consideration of public and private bills pursuant to section 3 of standing order 15.

Mr. Speaker: It being five o'clock, the house will now proceed to the consideration of public and private bills, the former having precedence, pursuant to section 3 of standing order 15.

PRIVATE BILLS

On the order:

Second reading of Bills SD-1 to SD-100 inclusive, SD-102 to SD-106 inclusive, SD-108 to SD-264 inclusive, and SD-266 to SD-356 inclusive.—Mr. McCleave.

Mr. Bell (Carleton): Mr. Speaker, I have detected that there may be some thought in the house that unanimous consent can be secured to proceed with the bill with which we have just been dealing in committee of the whole rather than proceed with those matters to be dealt with in the private members' hour. I do not know whether that is the unanimous view.

Mr. Howard: Perhaps under other circumstances it might be the unanimous view but at this time there are other members of the C.C.F. who have made arrangements, because of the intervention of private members' hour, to be elsewhere and who also have an interest in the bill which we have just been considering. I think perhaps at this time it would not be possible to be unanimous.

Mr. Speaker: The first item stands pursuant to the order made by the house, notice not having been given to print the bills.

Order stands.

DIVORCE

MEASURE TO MODERNIZE DISSOLUTION AND ANNULMENT

The house resumed, from Thursday, December 8, 1960, consideration of the motion of Mr. Peters for the second reading of Bill No. C-7, to provide in Canada for the dissolution and the annulment of marriage.

Mr. Frank Howard (Skeena): Mr. Speaker, it seems as though we were perhaps starting on a new session rather than continuing one which started a year ago as normally bills of this nature—or at least, this has been the experience in latter years—have not too often come up for resumed debate. This matter was entered into quite extensively on December 8 of last year and I think a worth-while and fairly full discussion took place by members who were interested in the principle contained within the bill.

[Mr. Caron.]

Naturally, as is the case in discussing bills of this nature which emanate from and are in the hands of private members, there was some degree of difference of opinion with respect to some of the provisions contained in the bill. However, I know that the government is in a very amenable and conciliatory mood these days. After this bill receives its second reading we may perhaps be able to straighten out some of these differences of opinion at the committee stage of the bill and then wind up, on third reading in meeting the wishes of the majority of the members of the house.

The design of the bill itself to me is to bring the law—I should not say the statute law because there is none as such—in circumstances relating to divorce in Canada as a whole into conformity with some social facts of life which exist today and which, in my opinion, have existed for some period of time. At the moment the law of divorce, with the exception of that in the province of Nova Scotia, states that the grounds for divorce are adultery and adultery only. In essence that is the situation that exists. However, I think we are all fairly well agreed that while adultery may be the grounds for divorce, it certainly is not, in the great bulk of cases, in the first instance the cause of a marital breakdown and the reason for people seeking to obtain a divorce. There are other factors which go into breaking up a marital relationship. I refer to such things as lack of a full and complete faith, alcoholism, wars, increased travelling facilities and the like. All of these things have their impingement, in my opinion, upon the marital structure and tend perhaps to make marital relationships a bit strained.

However, adultery is the only reason one can use in order to satisfy a court or parliament that a particular marriage should be dissolved. I am certainly not going to get into an argument with anybody as to the percentage or the degree of perjury that takes place before the courts or before parliament. I think this is an argument which does not lead to any end. However, in some cases, or in some instances, the law itself and the requirements of the law either force a person or a couple into an adulterous relationship which did not exist previously, or into perjury or collusion in order to meet the test demanded by the law, namely, that adultery took place between a couple of people.

I think the maintenance of the fiction that adultery is really the cause for divorce is not too sensible in itself. By making that action the sole and only reason or ground upon which a marriage can be dissolved, I think a tendency is created to say that the

marriage relationship rests almost entirely upon the question of intimate relationships between the husband and the wife or, in fact, to say that marriage rests almost exclusively upon the question of amicable sexual intercourse.

We know that is not the case. We know that there are many other factors which go into making up a happy married life and into making and preserving a married relationship and the marriage itself. I think many of these other factors are forgotten in the desire to maintain adultery, as is the situation at the moment, as the only ground and, by reasoning the only cause for divorce.

As it stands now, the law does not take into account, give any relief to, or open the door to those people who find themselves in some circumstances which I intend to relate in a moment or two. For these people who, through no fault of their own in many cases, find themselves in difficulties there is no solution having regard to their marital relationships.

Let us consider an instance of desertion in which, for argument's sake, let us say the husband deserts his wife and family, if there is one. If that husband cannot be found, as is the case in many instances of which I know, the wife is maintained in that position of being married yet single at the same time She has no recourse to the courts in order to have dissolution of that marriage, even though her husband may have vanished and his whereabouts have been unknown to her for many years, and even though she is unable to find him.

I think each of us desires the company of others. In many instances women and men will find themselves attracted to some other person of the opposite sex. They are then placed on the horns of a dilemma. They ask themselves the question: What should my relationship be with this other person? Should it be one of just casual acquaintance or should we become more closely associated with each other? They say to themselves: If we do so, we shall have to do so without the benefit of a marriage being performed as one of us is already married and is unable to obtain any relief. There is no relief either in instances of extreme cruelty, alcoholism coupled with cruelty, or dissipation on the part of the husband of income which should be used for the upkeep and the welfare of his wife and family. There is no relief in sight for that particular woman except perhaps that of suing in the court for maintenance; and in many instances this procedure does not work out too satisfactorily. Others with habitual criminal tendencies and the like bring to mind other instances of one part or one half of the marriage being unable to find any relief whatsoever in the eyes of the law in so far as trying to straighten out their marital relationships is concerned.

Some people might say that this bill, if it were enacted, would in fact tend to make divorce easier and therefore tend to corrupt our present morals and tend to destroy as an institution marriage itself. However, I do not think this is the case. I think, as I said, all this bill is designed to do is bring our present divorce laws into keeping with social facts and what I think should be social conscience in this day and age.

I would refer to the statitistical information which developed in England after the passage of their matrimonial causes act. Reference to this statistical information is not to say that the same thing would apply here, of course, However, if I recall correctly from memory, I think they discovered that after the grounds for divorce were brought into keeping with the social facts which existed at the time, it did not in fact destroy the marriage system. It may have dissolved particular marriages by giving grounds for the dissolution of marriage, but if I recall the figures correctly, over a period of time 75 per cent or 80 per cent of those who were divorced at one time subsequently married again and stayed that way. This tends to show that while a marriage may be dissolved, it does not mean that the parties concerned stay single for the rest of their lives but they do find other partners and the marriage contract is entered into again with somebody else.

The bill does not primarily deal with divorce itself, as has been mentioned by the hon. member for Timiskaming (Mr. Peters) and other hon. members. It places a certain degree of emphasis upon the question of reconciliation and gives to the judge hearing a particular case the right to adjourn, to refer the parties to marriage counsellors, to clergymen or other people of similar standing, in the hope that divorce action can be forestalled and that the marriage will remain intact. In this way it is hoped to find some mutuality of desire on the part of the parties to continue in their original way in their married life without dissolving the marriage.

I do not intend to enter into the relative grounds of this argument, but it has been mentioned and I am sure we all feel there is a degree of hypocrisy which arises out of our present divorce laws. There is a certain degree of dishonesty and perjury. I am quite sure this is well known to members—at least some—of the legal profession. I am sure it is quite well known and understood to exist in so far as the courts are concerned. This is in no way casting reflections on the courts or

members of the legal profession. It is well known by private detectives and I am sure we as legislators have knowledge of it. It does exist to a certain extent. It is also known to the general public, certainly to those who have become involved in divorce actions in a direct way as one of the litigants.

This bill, of course, would not eliminate perjury, collusion or dishonesty in the presentation of cases before the courts. It is not designed to do that. However, I think it would tend to cut it down because it would recognize desertion, cruelty and the like as other grounds for divorce.

Again, if I recall correctly some statistics emanating from Great Britain after the passage of the matrimonial causes act in that country, all but about 3 per cent or 4 per cent of the divorces were granted for either adultery, desertion or cruelty. These are perhaps the three major complaints and grievances that exist at the present time in society. As I say, this bill would not eliminate that; it would only tend to cut it down and bring the law itself more in keeping and on a more equitable footing with what in fact exists in society today.

I was being a little facetious earlier, Mr. Speaker, when I said we could straighten out some of these difficulties in committee of the whole, because I do not think we are going to get that far. I do not think this bill will receive passage this session. I do not think it will come to a vote, although I should certainly like to see it come to a vote. But with our forces disseminated the way they are, we would not even be able to call a vote if we got that far. I can say that at least in this one instance our party is unanimous today.

However, some day I am quite sure that a bill containing the principles contained in the present bill will be passed and endorsed by a parliament of Canada and will be introduced by a government of Canada. We all know that to some degree bills and legislation tend to lag behind public need and public demand. This is not always the case, but it is the case in some instances. Legislation tends to lag behind public demand when it is of such great importance as to create major differences of opinion based on fundamental beliefs and ideals.

That is the case in this instance. I think in this connection we must respect the feelings and desires of everyone in the country and we must come to the conclusion that it will be some time yet before the parliament of Canada does get around to passing a measure such as this. But some day it will occur and I think that when the statute law of Canada reflects the social matters, principles and ideas contained within this particular bill it will be appropriate to pay a very great tribute to the hon. member for Timiskaming who drafted, developed and primarily conceived the ideas and concepts contained in this bill. We should pay a tribute to the hon. member at that time for having the courage to bring forward such a far-reaching measure as this bill.

Mr. John Smith (Lincoln): Mr. Speaker, in rising briefly to speak on this bill I must say that I appreciate the sincerity of the hon. member for Skeena (Mr. Howard) who has become more or less an authority on divorce bills. However, I feel there is a great deal that could be discussed in connection with this bill before it is passed.

I am not in any way an authority on divorce laws. Perhaps fortunately I was able to find a spouse who has kept me reasonably well on the straight and narrow path and kept me out of trouble. However, I solemnly believe that divorce is something that is necessary in our way of life. From day to day we hear and read of cases where there has been extreme cruelty, not only to the wife but also to the children. I think in cases of this kind as well as adultery, divorce is the only way to solve the problem. Our stay on this earth is not too long at the best, and I think that in cases where there is extreme cruelty or other causes divorce is certainly something that is needed to relieve mental agony.

I think there is a great deal of merit in this bill and the sponsor deserves some credit for bringing it forward at this time. I am sure he echoes the opinion of many people throughout this land. However, in considering a bill of this kind we must be mindful of the British North America Act. This act gives religious rights and other privileges to the people of this country. While some say that this is an old fashioned act and belongs to the horse and buggy days, I think it has done much to preserve national unity. It also keeps the federal government in line so that things are not done which may adversely affect the provinces. Sometimes I think that if the United States had an act similar to the British North America Act there would be fewer racial problems and less prejudice there than there is at the present time.

Perhaps there are many good things in this bill, but I think time is too short tonight to go into the question very thoroughly and debate it properly. For these reasons I think it should be held over until some other occasion when all members of the house would have an opportunity to express their opinions on it. I do not say that our system at the present time under which divorces have to

be handled through the machinery of private bills is the best possible system. Nevertheless, I do not believe there has been too much wrong with it in the past and I feel that for the present, until the provinces which do not have divorce courts have an opportunity to express their opinion as to what should be done, we should continue our regular procedure and see that the divorce bills which are on hand are passed before the house recesses in order that those who have cause to be separated may have that desire satisfied. Again, I think there is a lot of good thought behind this bill and I compliment the hon. member upon bringing it forward. However, I feel we should let it stand over and give it further consideration at some other time.

Mr. G. W. Baldwin (Peace River): First of all I wish to approve of the last sentence expressed by the hon. member who has just resumed his seat. I think it would be most reprehensible, having in mind the fact that these people have come to the ultimate seat of justice in this country seeking what they feel is an appropriate remedy, if they were denied that remedy at a time when they may have no other recourse. I do hope that before we conclude our deliberations in this chamber this will be done.

I also wish to associate myself with what the hon. member said with regard to those who participated in this debate on December 8. This was one of the debates which, I think, brought out a very high quality of contribution from the members who spoke. I think there has been great diligence shown in doing research work. I think there was sincerity and honesty displayed by all those who spoke at that time and I think that, like the debate having to do with capital punishment, without in any way disparaging other debates, it was an indication of the heights to which hon. members can rise when there is a deep social problem involved and corrective measures may well be required. As to that, I think there is no doubt.

I can recall many years ago in a northern town included in the district where I practised my profession one week when I participated in three murder trials each of which involved a husband and wife. In each of these cases the situation might well have been cured by the ability to obtain a dissolution of the marriage. I think it is a drastic way to have to get a divorce, to use a shotgun, but this was my experience many years ago and I have never forgotten it. I recall that after the war when I resumed my practice I was shocked by the large number of applications from people seeking dissolution of their marriages. I think it was probably the experience of many members of the bench and of the bar, that these were the result of too hasty marriages. But it does underline the fact that there is a very real and serious problem. Those who read history can establish that when you see the disintegration of our family life you may then see the deterioration of the civilization in which it was produced.

There is a very interesting series of articles appearing in *Life* magazine—and I think we can take wide latitude in dealing with this particular subject matter. I happened to pick up this magazine last night and I commend the reading of this article to all members. It deals with the entire question of marriage and divorce. Contributions come from trained sociologists and people who have had a great deal of experience in conncetion with this problem. The article I picked up deals with what is probably one of the reasons for the multiplicity of divorces. I think that what the hon. member is trying to strike at in his bill is rather the effect than the cause, but this particular article deals with the question of courtship, which is related to marriage, and I am going to take the liberty of reading a few extracts. This is from *Life* magazine dated September 15, 1961, and I am reading from page 118. The article says:

> Because there were no sociologists until recently to study and record such matters, the history of courtship is obscure. There is every reason to presume, however, that very few civilized people of bygone eras ever had as much freedom of choice as today's young Americans. To be sure, the people who did not count, like the serfs of the Middle Ages, having no property, no prospects and no real control over their own futures, mated casually and often without benefit of clergy. But the lords in the feudal castles were much more careful—for ever since men first began accumulating property, rank, social prestige and pride of lineage, they have tried to preserve and augment these acquisitions through marriage. The rulers of ancient Rome would never have thought of letting a daughter marry a commoner. The Capulets did not even want their Juliet to fool around with the Montagues' Romeo.

And again, with respect to arranged marriage:

> Thanks to a thousand overromantic novels, plays and movies, it is commonly thought of as an attempt to force a lovely and innocent young girl into the arms of some disgusting old lecher who has slipped her greedy father a couple of thousand dollar bills—a situation calculated to make any good American's blood boil... Yet in weeping for all the poor girls forced into marriage against their will in other countries, Americans may have been wasting their sympathy. Dr. David Mace, executive director of the American Association of Marriage Counselors, says in his "Marriage East and West" that many of these downtrodden victims of the arranged marriage have not seemed to mind at all. Indeed, young women from the Far East, observing western courtship customs for the

first time, have often wound up feeling sorry for the American girls who have been feeling so sorry for them. The idea of being forced to go out alone into the open market, and to preen and flirt in the hope of attracting a husband, strikes many Oriental women as terribly undignified and demeaning.

I hasten to add that I am not adopting this particular philosophy. I just offer it to the house as an indication of the problem that is now being considered carefully by many thoughtful people.

I say to the hon. member for Skeena and to the sponsor of this bill that I have grave doubts as to whether the legislation which they propose will do anything other than regularize divorce by opening up more avenues for divorce, a situation which they cannot ever hope to cure.

This bill is difficult to deal with on second reading because I believe it involves a variety of subject matters. There are a number of principles on related matters all brought together within the four corners of the bill. Under those conditions I assume I might be granted some latitude in dealing with the principles of the individual proposals which are incorporated in the proposed measure.

In the first instance it seems to me there is a real jurisdictional question which is thrown out by the principles contained in this bill. The argument was developed in this debate when the bill was first before us for consideration, that the British North America Act divided between the provincial legislatures and the federal government certain aspects of marriage and divorce. Item 26 of section 91 of the British North America Act gives to the federal government jurisdiction over the question of marriage and divorce. Section 92, on the other hand, gives to the provincial legislatures the power to deal with the solemnization of marriage in the province. I have had no opportunity to examine the records and debates at the time the fathers of confederation enacted their agreement and the reason for this division is obscure to me. I do not think any real arguments can be made about it.

I suggest that this government has been diligent under the leadership of the Minister of Justice (Mr. Fulton) in securing certain reforms in connection with the constitution, including the repatriation of the British North America Act and including consideration of the question of the delegation of powers and of certain other changes in our constitution. This might well be a subject which could be placed on the agenda at a federal-provincial conference.

When he participated in this debate on a previous occasion the hon. member for Maisonneuve-Rosemont (Mr. Deschatelets) gave what I think was his legal opinion when he said that so far as the province of Quebec is concerned the entire jurisdiction might well fall squarely in the lap of that province. I think the hon. gentleman went a little far in making that statement but the questions of marriage, divorce and the solemnization of marriage do appear to be related. It may be that the people in certain areas, districts and provinces, hold certain views about these problems. If a conference were held at which these questions could be discussed freely and openly the conclusion might be reached that the matter is one which could be dealt with by a change in the British North America Act which would have the effect of giving back to the provinces the entire jurisdiction in this field. I do not say I adopt that view but it is something that might well be considered.

The problems concerning jurisdiction are in my opinion underlined when we come to read the bill. We find so many areas where there is likely to be a multiplicity of litigation. If the bill were to be adopted as it stands I can readily see that the courts of this country would be flooded with litigation. Some of it would go to appeal and in many instances two or three years would require to elapse before there could be a final determination by the ultimate court, the Supreme Court of Canada. I throw out that suggestion for consideration by the house.

For example, I shall deal with one of the principles involved in the portion of this bill relating to the question of domicile which creates a genuine problem. The sponsor of this bill suggests that there should be a Canadian domicile. That might be all right but a practical problem would necessarily follow. In the case of a couple living in Ontario, the husband might seek his recourse in the courts of the province of British Columbia. Under such circumstances, what would happen if the parties continued to live in Ontario? What about the question of enforcement of the order of the court? What about the questions of alimony, support for and, maintenance of the children and custody of the children? A definite problem would arise of which we cannot rid ourselves simply by saying we will establish a Canadian domicile in divorce to make it possible for those seeking dissolution to go to the courts of any province. I believe that would create many more problems than it would solve.

Clause 6 of the bill sets out a large number of grounds which would enable a court to dissolve a marriage. Some of those listed are already grounds for dissolution. Contrary to what was said by the hon. member for Skeena, unnatural conduct and bestiality are at present grounds upon which the courts will grant divorce. Did I hear the hon. member object

to that statement? Possibly I did not. In any event I can assure the hon. member that that is the case and that the courts have on many occasions granted dissolution of marriage on such grounds.

In the case where a party had been guilty of gross cruelty in the first month after marriage, I think it would be monstrous to suggest that it should be tolerated for longer than a month and it should not be necessary to demand that the marriage persist for a further period of one year before dissolution is granted. I think that is wrong and improper. Some of the other grounds set out in clause 6 might be deserving of consideration but I certainly could not lend my support to legislation which opens up, as this bill seems to, so many avenues for dissolution of the sacred contract of marriage on such flimsy grounds.

We come now to the question of procedural matters under the B.N.A. Act. The provincial legislatures have authority in connection with the constitution, maintenance and organization of provincial courts including the procedure in civil matters in those courts. In reading the bill we find that a conflict arises immediately. This measure suggests there should be attached to the courts a conciliation process and it goes far in outlining in detail precisely how the court should operate, how the judges should act, what procedure should be adopted and so on. At first blush I should be inclined to think that this is an infringement of the powers of the provincial legislatures to deal with the constitution, maintenance and organization of provincial courts.

On the question of evidence, recently several legislatures in western Canada have amended their evidence acts so as to permit certain types of evidence to be given in divorce cases which, under the Russell case in England, had not been permissible before. Clause 11 of this bill which we are considering makes certain evidence permissible. I would have grave doubts whether this clause is not ultra vires, having in mind authority given to the provincial governments.

There are many other aspects of this bill that I could deal with and possibly if at some time the bill gets into committee those matters can be considered in detail.

Before I conclude with this particular aspect of the matter I should like to pay tribute to the hon. member for Skeena (Mr. Howard) and the hon. member for Timiskaming (Mr. Peters). They have made themselves masters of this subject. I would think that since after the next election it is most likely they may be seeking other employment they may well put to good use the knowledge they have acquired and might collaborate in writing a book which could well be known among the members of the legal profession as "Peters and Howard on Parliamentary Divorce". I would look forward to the publication of such a book.

Speaking seriously, Mr. Speaker, I think there is a problem here. I do commend those who have participated in the debate. I think this is something with which we will have to come to grips. Anyone who examines statistics with regard to this question of the break-up and dissolution of marriages must feel that remedies must be sought, but I think we will have to go farther than simply attempting to deal with the results, and we might better turn our attention to some of the causes.

Mr. Terry Nugent (Edmonton-Strathcona): Mr. Speaker, the subject before us today, involving as it does the question of statistics of married couples and how the problem of divorce can be resolved, is one on which I should like to speak with extreme diffidence. In my opinion there is nothing that can so arouse the enmity of the ordinary man in the street, so arouse the emotions of such a broad range of people as to consider lightly the processes by which or the reasons for which that state of matrimony may be dissolved. For instance, I should like to quote from page 614 of *Hansard*, where the remarks of the hon. member who introduced the bill may be found. In the lefthand column we find the following:

> We have received hundreds of letters, and very few of them have been opposed to broadening the grounds upon which divorce is granted. While I would not go so far as to suggest that, in a political sense, this would be dishonest, I do suggest that it might not be politically sound. Surely a member of parliament does not have to listen to every crackpot in his particular riding.

I am sure that on reflection the hon. member will not say that everyone who disagrees with his bill, certainly with the manner in which it is presented, is a crackpot. On reading this over I sometimes wonder whether the hon. member believes that those who are opposed to broadening the grounds for divorce must themselves be crackpots. Certainly the manner in which the bill is presented, the wholesale recommendations contained therein and the extent to which the grounds for divorce have been broadened lead me to believe that the hon. gentleman who introduced the bill is at least most impatient of the views of those he believes hold marriage to be much too sacred. As we know, there are probably represented in this house various opinions on how sacred are the bonds of matrimony and to what extent they may be loosened by any action of this house in easing the manner of getting rid of them.

The hon. member who just preceded me touched on a very valid point when he suggested that perhaps we should be giving greater thought to the grounds of divorce. There was also his point on the ease of entering into the bonds of matrimony. An examination of the laws of various European countries will show that in most instances certainly getting married is not the simple task it is here. In certain countries it involves very definite compliance with the canons of church law and long drawn out legal procedures. It usually ties in the question of property settlement and the ways in which the wife shall share in her property. All this, Mr. Speaker, is merely an illustration of the fact that matrimony is a subject that cannot be taken lightly. The fact that it has perhaps been entered into too lightly in this country leads to the rather more furious search for the means of getting rid of it.

The hon. member who introduced this bill made another remark in his speech that I could not quite agree with. At the top of page 613, in the left hand column, he said:

> We have felt that the House of Commons cannot rule efficiently on divorce petitions, and are concerned about cases of this type and their effect on the work of the house and the other place as well. It seems to me that members of parliament and members of the other place, many of whom were formerly members of parliament or are public spirited citizens, do not have the ability to judge these cases and in most cases they do not have the inclination to act as a judicial body.

I think it would be most unkind to consider passing the bill before us today on the ground that members of the other house do not have the ability or the inclination to deal adequately with the problems presented to them. It is my opinion that most of the members of the Senate committee dealing with divorce are retired or still practising members of the bar. Before they came to that Senate committee most of them had had many years of experience in divorce matters. Certainly, over the last few years, considering the number of divorces that have been handled by that house, any member of fairly long standing on that committee is likely to be one of the most qualified by way of experience in Canada for dealing with divorce. I submit therefore that to suggest they are not qualified is to overlook the facts completely. If we are to take away from the Senate the duty and obligation of looking into and in effect trying these cases, certainly we should not let it be said that we did it on that most unkind ground that they are not capable.

The fact of the experience of the tribunal trying cases of divorce has been brought home to me very forcibly. I believe that if we examine closely the cases tried by the Senate we will not find there any lack of attention to them, any lack of willingness to examine the evidence carefully and closely. What appears to us sometimes to be very hurried dealing with these matters is not actually the case, I suggest, because with their experience, their knowledge of human nature and the number of cases they have handled they are able to see in a much better perspective and much more quickly exactly what is at the heart of any particular case presented to them.

As a lawyer I have handled many divorce cases and I have listened to many being presented. I have learned that experience and an older and wiser head can sometimes save a lot of time or point out some place where either I or the lawyer handling the case has missed a point. I recall having heard a case presented in the supreme court in Edmonton and the judge on the bench ordering that a copy of the transcript be sent to the Queen's proctor. This meant, of course, that the attorney general's department would be asked to look into the matter, to investigate the validity of the evidence given and to find out if perjury had been committed quite apart from the alleged adultery. I was amazed that the judge should so order in that case because to me it had seemed to fit the pattern. In my opinion the witnesses had appeared very honest and yet the judge, with far more years of experience, had detected a false note and had the matter investigated.

It turned out that a charge of perjury was laid and also one of suborning perjury not because adultery had not been committed but because the defendant's husband—this is where human nature and the peculiarities of personality come into the picture—who had been willing to give his wife evidence of his adultery apparently decided that he did not have the nerve to stand up in court and persuaded a friend of his to get up and say that he had been present on this particular evening and had witnessed just enough to satisfy the court. Investigation by the police proved that the friend had not been there at all that evening although it did come out that the act complained of which constituted grounds for the divorce had in fact been committed. Only the peculiarity of the personality of one man caused this divorce to go astray in the courts. I have cited this case merely as an illustration of the manner in which the experience of the tribunal can play such an important part and of how the manner and demeanor of the witnesses and the circumstances related can so often lead the court to discern the true from the spurious testimony.

As to the question of the grounds for divorce, I have had, as I am sure most hon.

members have, requests from people to do something about the grounds for divorce. Certainly I am not one of those who are convinced that no matter what happens a divorce should not be granted. I think it is necessary, and in fact on humanitarian grounds I feel that our present divorce law must be broadened a little. It does not hurt to remind hon. members of the extreme hardship that befalls a woman who has entered into the bonds of matrimony with as much care and forethought as anyone in the community and who has in fact chosen a very good husband when later the man suffers some slight injury which affects his mind and he becomes incurably insane. Certainly it is hard for this or any other body to say that it is right that this woman who has suffered this misfortune must stay married forever to this man.

I can well understand the argument of those who say that you marry for better or for worse, that medical science, good as it is, is still not an exact science, that there is no such thing as a hopeless case and that this is an instance where the woman should have a little more faith and patience. It is a little hard to follow that argument too far if the woman has children to raise. Certainly under today's conditions it is hard enough for a husband and wife both of whom are working to raise, feed, clothe and educate a couple of children. For a woman who is still married to try to run a house and earn a livelihood for her children and to be faced with such a situation with no hope of relief until the children grow up is, I think, being so strict that we should yield to the argument that this at least we must correct.

In my opinion there are many causes for divorce listed in clause 6 of the bill for which strong arguments can also be advanced, but I was struck by one thing. The causes for divorce set out in the bill include nearly all the causes for judicial separation that now exist. I do not know whether it is a case of experience, good planning or just good luck, but if there is one thing which I wholeheartedly support it is that I would much rather see a divorce than a separation. If these grounds are good enough to break up a marriage by means of a separation, they should be sufficient grounds for a divorce. I think that the most unsatisfactory method that we have in this country today for dealing with irreparable differences between husband and wife is to give them a judicial separation. They are neither married nor single and in nearly all cases the financial results are most regrettable.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at 7.30 p.m.

CIVIL SERVICE ACT

The house resumed consideration in committee of Bill No. C-71 respecting the civil service of Canada—Mr. Fleming (Eglinton)—Mr. Chown in the chair.

Clauses 8, 9 and 10 agreed to.

On clause 11—*Governor in Council to fix. (Translation):*

Mr. Caron: Mr. Chairman, I think that section 11 could be greatly improved if it were drafted as follows:

> The governor in council, after consultations, negotiation and agreement with the representatives of appropriate organizations and associations of employees of the crown, shall recommend to parliament to establish rates of pay for each grade and establish the allowances that shall be paid in addition to pay.

Mr. Chairman, I wish to point out that yesterday, when I dealt with section 7 as amended, I made a mistake. I said that employees did not have the right to recommend on their own that a study of projects be undertaken. Following the remarks made by the hon. member for Carleton (Mr. Bell), I must change the statement I made yesterday. I find that this right is actually included in the proposed amendments. I had taken my information from another source, because I note that section 7 reads as follows:

> The Minister of Finance or such members of the public service as he may designate shall from time to time consult with representatives of appropriate organizations and associations of employees with respect to remuneration, at the request of such representatives—

Therefore, I erred yesterday evening and I feel that to be in conformity with the amendment which was proposed to clause 7, we should amend clause 11 as follows:

> The governor in council, after consultations, negotiation and agreement with the representatives—

Just as it seems to be in clause 7—

> —with the representatives of appropriate organizations and associations of employees of the crown, shall recommend to parliament to establish rates of pay for each grade, and establish the allowances that shall be paid in addition to pay.

This somewhat changes the clause since it would be parliament, and not only the government, which would have the final say in the matter. In my opinion, it is always better that such problems should be passed upon by parliament instead of by the government only. That is why I move the following amendment—

(Text):

In English the amendment would read as follows:

Clause 11 should be replaced by the following:

"The governor in council, after consultations, negotiations and agreement with the representatives of appropriate organizations and associations of employees of the crown, shall recommend to parliament to:

(a) Establish rates of pay for each grade, and
(b) Establish the allowances that shall be paid in addition to pay.

Mr. Bell (Carleton): I am glad the hon. member for Hull took the occasion to correct the impression he left last evening. It is typical that he did so in such a gracious way tonight. The amendment he has just moved was not one which was raised in the special committee studying this act. Consequently it was not submitted to the detailed study to which so many other amendments were submitted in that committee. I have had only the briefest opportunity of reviewing this amendment but as a result of my review I should like to submit to my hon. friend and to the committee that by the amendment he has just moved he would place the rates of pay for each grade in the civil service and the establishment of allowances in the greatest possible strait-jacket. Desirable perhaps though his objective might be, it would in practice be totally impractical.

The hon. gentleman seeks to have the governor in council in each case recommend to parliament the establishment of rates of pay for each grade; thereby parliament becomes in each case the final arbiter. There can be no salary adjustment, no change in the rates of pay for the various classifications until it has been approved by parliament.

I am sure my hon. friend does not seek to have civil servants suffer, as they would, for a long period of time until parliament could get around to dealing with the matter. May I submit to my hon. friend, whose great concern in this matter I know so well, that the objectives he has in mind are well covered by clause 7 and would perhaps be impeded by the amendment which he now proposes. May I suggest to him that in this amendment he would reach a final objective which I am sure would be undesirable to his constituents, and I am certain it would be to mine. I regret, Mr. Chairman, that I have to ask the committee not to adopt the amendment of the hon. gentleman.

Some hon. Members: Question.

Mr. Caron: Mr. Chairman, the hon. member for Carleton just said this amendment would bring about delays. I do not know of any longer delays than those brought about by the government when the civil service received the last increases in salary. The consultations started over a year before and it took it over six months to implement the increases.

If the recommendation of the governor in council were brought before parliament I do not think it would mean more delays. I think it might force the government to consider the whole matter in bulk instead of taking one group one month and another group another month. I really believe it would be an advantage, and it was also recommended by the civil service federation on page 6 of their brief.

Amendment (Mr. Caron) negatived: Yeas, 5; nays, 32.

The Deputy Chairman: I declare the amendment lost. Shall clause 11 carry?

Some hon. Members: Carried.

Mr. Caron: On division.

The Deputy Chairman: Carried on division.

Clause 11 agreed to.

Clauses 12 to 18 inclusive agreed to.

On clause 19—*Establishment review.*

(Translation):

Mr. Caron: I have here another amendment; it is in conformity with the requests submitted to the committee and the government by civil service staff associations.

Clause 19, as it reads at the present time, provides the following:

The governor in council may from time to time review the establishment of the departments and may, after considering the recommendations or representations of the deputy head, delete positions from or add positions to the establishment of the department.

First of all, I feel that this puts too much power in the hands of the deputy heads and not enough in those of the commission. Now, it is the deputy head who recommends to the department reduction or increase in establishment. I think that this system is not absolutely advantageous since several deputy heads, even with the best dispositions, are often led to make mistakes.

Therefore, that is why, without any further ado, I move the following amendment, that clause 19 be amended as follows:

The governor in council shall request the civil service commission to review the establishment of departments at least every three years and may after considering the recommendations or representations from the deputy head and the civil service commission, delete positions from or add positions to the establishment of the department.

(Text):

The amendment reads in English:

That clause 19 be amended to read as follows:

19. (1) The governor in council shall request the civil service commission to review the establishment of departments at least every three years and may after considering the recommendations for representations from the deputy head and the

civil service commission, delete positions from or add positions to the establishment of the department.

That is, at least every three years.

Mr. Bell (Carleton): Mr. Chairman, this amendment has two features. The first was considered in relation to another clause of the bill, I think clause 6, namely whether a mandatory injunction should be placed upon the civil service commission to review the establishment of departments every three years. The view which was taken in the special committee was that such a mandatory injunction would probably result in reviews only every three years, whereas in the normal course of events the reviews might well be more frequent. The committee, after giving rather detailed consideration to this matter, decided not to establish such a particular and detailed procedure. I hope this committee of the whole will adopt the same view as that adopted by the special committee.

The second feature of the amendment is that in respect of the recommendations which are to be made for establishments of the departments under clause 19, not only shall the deputy head be responsible but the civil service commission as well. I think the hon. gentleman has overlooked the position which the civil service commission occupies with respect to other clauses of the bill, and in particular clause 16.

I personally am satisfied that the bill has achieved a basic structure where you will have the proper co-operation of the deputy head and of the civil service commission. It must be remembered that under the new structure of the bill it has been sought, in accordance with the principles of the Heeney report, to leave those managerial functions to the deputy head and to leave recruitment and the other functions which are of a special nature and the responsibility of the civil service commission under the commission itself. I hope we will not insert in a clause such as clause 19 an intermingling of the kind I think my hon. friend proposes of the functions of the deputy head and of the civil service commission. I think if we do we will depart from what was the basic intent of the Heeney report, which is basically the text of this bill.

Mr. Caron: I really believe that we should give more power to the commission and less to the deputy heads. This is what I told the committee every time I had the opportunity to state my point of view. They could call upon the deputy head concerned to submit the report, but instead of submitting the report to the governor in council right away it should go through the commission and then the commission should make its report to the governor in council. I do not believe there is enough power in the hands of the commission and I believe there is too much power vested in the deputy heads. That is the reason I brought in this amendment to subclause 1. I shall have another amendment to move to subclause 2.

Mr. Herridge: I have not read this amendment over carefully, but I have listened to the remarks of the hon. member for Hull. I agree in principle with what he is trying to achieve, namely the vesting of greater power in the commission. I do not think we should leave such great power in the hands of the deputy minister and on this account we shall have pleasure in supporting the amendment.

Amendment (Mr. Caron) negatived: yeas, 7; nays, 41.

The Deputy Chairman: Shall clause 19 carry?

Mr. Caron: No. There is subclause 2. I shall not discuss the matter at any greater length, because it involves the same principle. I want the commission to have the responsibility instead of the deputy heads, and so I move that the clause be amended to read as follows:

(2) For the purposes of this section, the deputy head shall submit to the civil service commission and the governor in council a plan of organization and such further information or material as the commission or governor in council may require.

Mr. Bell (Carleton): I have pointed out to the committee that this, really, is covered by clause 6(b) which was carefully discussed in the special committee and upon which the committee took the opinion of the draftsman. I venture respectfully to submit to the hon. member that what he suggests would be contrary to the structure proposed in the Heeney report. I think it might be well if I were to read section 26 of the Heeney report which deals with this subject:

In our view, the present division of responsibility between the commission and treasury board for determining the organizational structure of departments involves unnecessary duplication and inhibits ministers and their deputies in the management of their departments. It is the deputy minister who, subject to the direction of his minister, is and should remain responsible for the efficient performance of the functions allocated to his department. Consequently, in our opinion, the deputy head should have a major responsibility for determining the organizational structure best suited to meet the department's needs. On the other hand, over-all control of the service in this respect must clearly be exercised by the government, and each department must operate within such functional, financial and staff restrictions as the government may set.

May I point out to the hon. member for Hull that it is the commission which has the exclusive right to classify in accordance with clause 16 of the bill. The power to establish and the power to classify must always be

considered as co-ordinate—that word is possibly not the exact word for which I am looking, but it expresses the point well enough. Without one, the other cannot operate. The structure set out in this act was very carefully considered by the committee; it is one under which there will be true co-operation between the deputy heads and the commission.

Mr. Caron: That is exactly what I am asking. I am asking that the deputy heads should report to the civil service commission and not to the governor in council, because I think the commission should be in a position to know everything that is going on in the department. The hon. member for Carleton claims this comes under clause 16, but that does not deal with the same thing. This clause deals with the reorganization of the department. The other is concerned with the classification of certain posts. It is not the same, and if it were so similar why did the government place this clause 19 here? That would not have been necessary if it were covered by clause 16. It is none too clear. This is not a literary affair which we are discussing now, and when a thing is not clear, why not repeat it so as to introduce more certainty than there is at the present time.

Amendment negatived: yeas, 8; nays, 45.

Clause 19 agreed to.

Clauses 20 to 23 inclusive agreed to.

On clause 24—*Appointment by deputy.*

Mr. Caron: Here again I think there is too much power vested in the deputy heads. I think the law would be very effective without this provision. Neither the law of 1918 nor the recommendations of the Heeney report would support such a clause as this.

I therefore move:

That clause 24 of Bill No. C-71 should be deleted from the act.

Mr. Bell (Carleton): Mr. Chairman, this suggestion was carefully discussed in the committee. There is a provision in the present act, and a requirement for such emergency powers. I ask the committee to uphold the clause.

The Deputy Chairman: The vote will be on the clause per se. Shall clause 24 carry?

Mr. Caron: On division.

Clause 24 agreed to, on division.

Clause 25 agreed to.

On clause 26—*Probation.*

(Translation):

Mr. Caron: Mr. Chairman, I think the present legislation provides that anyone having been promoted may be dismissed during the probationary period. That is a real threat to the security of the civil servants.

I am sure that, in this matter, the civil service associations do not see eye to eye with the government and the majority of the committee. I therefore move that subsections (1) and (2) of clause 26 be renumbered (2) and (3) respectively and that a new subsection (1) be inserted, as follows:

26. (1) Any appointment made under sections 22, 23 and 25 of this act (Bill C-71) shall be subject to an appeal from any civil servant who considers that he was deprived of the opportunity to qualify for the position where the appointment is made.

Rightly or wrongly, some employees sometimes think that they are discriminated against. If they are granted an appeal, then, they can prove why they think they are right. If the appeal is lost, no one can be blamed.

When recommendations come from department heads, they sometimes meet with small difficulties. We have seen it happen in the past and it will happen again because men are sensible to flattery, and that can bring about small problems. That is why I am proposing that amendment.

(Text):

Mr. Bell (Carleton): Mr. Chairman, I have had a little difficulty in following the purport of my hon. friend's amendment. The actual intent of section 26 is to enable the reduction of the probationary period. I really fail to understand how anything in that section can relate to the appointments made under section 22 which are appointments from within the public service, or to those made under section 23 which are also made within the public service; or to those made under section 25 which relates to appointments made in special cases. With respect I suggest there is much confusion in relation to this proposal.

May I say to the hon. gentleman that generally speaking the attitude I took in the special committee was one of broadening to the greatest possible extent appeals under all circumstances. One of the great virtues of this bill is that it places appeals on a regular basis and in a position they have not enjoyed before. I think the addition of the hon. member's proposal to section 26 would result in virtually a confusion between appeals and the probationary period which I submit have no similarity or affinity.

Mr. Caron: My hon. friend has made reference to the probationary period but I point out that there is a specific reference to the appointments being made within the public service. Let us take an example. A man who is appointed is on probation for six months.

If for any reason the deputy head does not like him he can make a report against him and the employee will not be accepted. The employee should have a right of appeal in such cases against the decision of the deputy head.

Mr. Bell (Carleton): What my hon. friend does not seem to understand is that he has been referring to section 23 which deals with appointments from outside the public service and with section 25 which may or may not deal with appointments outside the public service. He is putting in a clause which I venture to suggest confuses the issue and I ask the committee not to support it.

Mr. Caron: I believe it is very clear. A person with a special skill may feel he is being denied an appointment and in that case I feel he should have a right to appeal.

Amendment (Mr. Caron) negatived: Yeas, 10; nays, 47.

Clause 26 agreed to.

Clauses 27 to 38 inclusive agreed to.

On clause 39—*Delegation to deputy head.*

(Translation):

Mr. Caron: Mr. Chairman, according to reports the associations submitted to me, I believe it would be possible to substantially improve section 39 through certain amendments.

In its present form, this section still presents certain dangers. In fact, the deputy head is still the one who exercises the powers delegated to him by the commission, and I feel that the insuperable difficulties we have in the civil service, and that we have had almost from the beginning, have to do with promotions, salary increases, or the holding of a job because of deputy heads who have excessively bad dispositions.

Therefore, I move the following amendment:

(1) That section 39 be changed to subsection 1 and that the following subsections be renumbered (2) and (3) respectively.

(2) The commission shall review the exercise of any power it has delegated every two years, or each time there appears to be any abuse, and indicate to parliament in its annual report the details of such a review.

(3) The commission shall suspend forthwith the delegated authority for exercising or performing its powers or functions upon evidence of abuse of such authority, and it shall not restore such authority until it is satisfied that another offence shall not be committed.

Mr. Chairman, it is precisely in order to avoid such abuses that I move this amendment.

(Text):

The Deputy Chairman: The question is on the amendment.

Mr. Bell (Carleton): Mr. Chairman, I thought that the amendment had a rather familiar ring to me, and I do find it is one which the hon. gentleman moved in the special committee. It was discussed in some detail as may be found at page 398 of the minutes of proceedings and evidence of the committee. If the committee as a whole wishes to pursue the matter it will find a rather learned discussion of the situation by the distinguished chairman of the civil service commission. The result of that discussion was that the special committee decided not to give effect to the particular amendment to which the hon. gentleman refers.

My view at that time, and the view I would take in the committee of the whole tonight, is that the power contemplated by clause 39 is one which would be delegated very rarely and, once delegated, would be reviewed very sensitively by the civil service commission. I think it must be clear—it is an elementary legal principle—that the power to delegate includes as well the power to withdraw the delegation. Therefore, the commission has the power, if they see that the delegation has not been satisfactory, to withdraw it. I am certain that any civil service commission, responsible as it is to parliament through its annual report, would be most sensitive to see that the delegation was properly exercised and, in being so sensitive, would see that there could be no conceivable abuse.

I would hope that the committee of the whole would take exactly the same attitude as that taken by the special committee in the rather lengthy discussion commencing at page 398 of the minutes of proceedings and evidence.

Mr. Herridge: I listened with interest to the parliamentary secretary and his explanations had a familiar ring. I can see some merit in the amendment moved by the hon. member for Hull.

This clause provides that:

The commission may authorize a deputy head to exercise and perform any of the powers or functions of the commission under this act in relation to the selection of candidates for a position.

I listened carefully to what the parliamentary secretary had to say to the effect that the commission would extend this power with caution, and would review it. But, in my opinion, even with the best intentions on the part of the commission, injustice could prevail and go on for some time before it was even detected or suspected. On that account I can well understand the hon. member for Hull suggesting some amendment to the clause.

The wording of the suggested amendments is somewhat clumsy. I am not sure that they are put in the best form or that the best

phraseology is used to achieve the end the hon. member for Hull has in mind. I must say I think this is rather an overriding clause and makes it possible for injustice to be done without being detected possibly for some time.

People are human, deputy ministers as well as anyone else. Therefore, while I am not certain that the amendment proposed by the hon. member for Hull is the best type of amendment to meet the situation, because I believe in its spirit and purpose I intend to support it on that account.

Mr. McIlraith: Before the question is put I would point out to the committee of the whole that clause 39 reads:

> The commission may authorize a deputy head to exercise and perform any of the powers or functions of the commission under this act in relation to the selection of candidates for a position.

The language used is the widest language that can be used in describing the powers or functions of the commission in relation to the selection of candidates for a position. Whatever may be said about the amendment, it is certain that the clause as it stands is expressed in overwide language.

The Deputy Chairman: Is the committee ready for the question?

Amendment negatived: Yeas, 10; Nays, 53.

Clause 39 agreed to.

On clause 40—*Order of preferences.*

(Translation):

Mr. Caron: Mr. Chairman, I think that over the years there has been, unintentionally perhaps, discrimination against those who joined the forces to fight overseas but who, for some reason or other, and often because of the requirements of the Department of National Defence, were never able to get there.

Those people, who enlisted with the intention to get into the fighting line, but who remained in Canada—and I know several of them—because of their special abilities and because they were needed here, now are absolutely deprived of all special benefits granted to veterans.

I appreciate that those who went overseas should benefit from the terms of this legislation as they did under the old act, which is identical, but I think we should add some special provision with regard to those who did not get overseas, giving them some privilege over other candidates who were not in the services.

To this end, I thought of an amendment which would probably give us a chance to do justice to those who enlisted to fight overseas but who were detained in Canada against their will and their intent because their services were required here.

I move therefore, that clause 40 be amended to read as follows: After paragraph (b), add subparagraph (i) as it exists now, and which reads:

> (b) those who are veterans and who do not come within the provisions of paragraph (a), or who are widows of veterans, shall be placed, in order of merit, on the list immediately following the candidates, if any, mentioned in paragraph (a);

That subparagraph (i) be added, which is the very provision we are dealing with:

> Those who are veterans but who have served only in Canada shall benefit from an additional 5 per cent on the examination and shall be placed in order of merit.

(Text):

Mr. Bell (Carleton): Mr. Chairman, this deals with a very difficult and very sensitive problem. As one who is not a veteran I have some trepidation in dealing with it, but I have had many problems with respect to this particular situation. The submission I would make to the committee of the whole is this. In respect of these matters the house has generally taken the opinions and the views of the standing committee on veterans affairs. On different occasions that standing committee has made a study of this question and it has been the view of that committee that the provisions of the existing Civil Service Act should remain. I believe it is because of the respect which the special committee on the Civil Service Act had for the standing committee on veterans affairs that the special committee adopted the same attitude.

When this matter was examined by the government, and it was examined with very great care, the position taken, according to my understanding, was that there should be no change in the existing act until such a change had been recommended by the standing committee on veterans affairs. I believe that is a sound position for the house to take. If there is to be a change at any time in such covenants as have been entered into by parliament with the veterans who served overseas, I would hope that they would be made upon recommendation of the standing committee on veterans affairs.

Mr. Matheson: Is there any reason why veterans in receipt of a pension—I presume it means a disability pension—include only those who have served in world war I or world war II? It seems to me that this provision is going to become progressively out of date. Surely we have veterans from the Korean expedition, perhaps some from Egypt and possibly some from Africa, and maybe there will be others. Is there any rational

explanation of this special exception? I am not questioning it; I am simply asking for information.

Mr. Bell (Carleton): I think that perhaps complexity of draughtsmanship may be the cause of my hon. friend's difficulty in relation to this matter. The situation is covered, I think, by subclause 3 of clause 40 where there is reference to the Veterans Benefit Act. Under the Veterans Benefit Act veterans of the Korean war are covered and therefore are brought within the ambit of this provision. As lawyers my hon. friend and I may think that is complex draughtsmanship but because of the fact that this particular section has stood for so many years it was the view of the draughtsman, I believe, that it should not be changed fundamentally.

Mr. Caron: Mr. Chairman, I want to comment on the point of view of the parliamentary secretary to the Minister of Finance. The amendment I have moved does not affect at all the status of veterans who served overseas. It simply gives a slight advantage in the case of those who enlisted with the intention of going overseas but never had the chance to go. The amendment will not affect other veterans at all. It just gives an additional 5 per cent after the examination has been passed to those who remained in Canada, but those who were overseas have the usual green light. They have the preference over everyone else. The amendment does not change the law in that regard. I do not see why the government cannot accept the idea that a little something should be given to those who intended to go overseas but could not do so because the Department of National Defence ordered them to remain in Canada for the duration of the war. I do not understand why this amendment cannot be accepted when it does not change in any way the status of those veterans who served overseas.

Mr. Macdonnell: I should like to say a word about what the hon. member for Carleton has said. He has been reminding the committee that the special committee has dealt carefully with these things. I should like to add that, having been here for a good many years I know the veterans affairs committee has dealt year after year with the rights and privileges of veterans. In my opinion no committee has taken its duties so seriously and has been so anxious to be sure to do not only what was fair but perhaps more than fair to those concerned. For that reason I am content to vote against the amendment.

Mr. Caron: Is there not a danger that the veterans affairs committee might have forgotten those who enlisted to serve throughout the world but were kept in Canada? They could have forgotten about them because generally speaking when we refer to veterans we have in mind those who served overseas. The others were in the services but we do not think of them in that way. The amendment simply affords a little recognition of the services they rendered by enlisting to go and serve throughout the world. If they pass their examination they may get 90 per cent and the amendment would give them an additional 5 per cent and the chance to be first on the list. It will not affect in any way those who served overseas or the status of anyone else. The purpose is simply to recognize the service of those who enlisted to serve overseas but were kept in Canada against their will, and there are many of them.

Amendment (Mr. Caron) negatived: Yeas, 11; nays, 57.

Clause 40 agreed to.

Clauses 41 to 44 inclusive agreed to.

On clause 45—*Appointments from list.*

(Translation):

Mr. Caron: Mr. Chairman, at the recommendation of the civil service association—and I think they are right in doing this because there is a certain inconsistency in the present wording of the bill—I propose the following amendment:

That clause 45, subclause 2 should be amended by deleting all the words coming after the word "list" in line 9—

(Text):

In English it would read as follows:

That clause 45, subclause 2, should be amended by deleting all the words coming after the word "list" in line 9 to the end of the clause.

The Deputy Chairman: Is the committee ready for the question?

Some hon. Members: Question.

Amendment negatived: Yeas, 12; nays, 57.

Clause 45 agreed to.

Clause 46 agreed to.

On clause 47—*Language.*

(Translation):

Mr. Caron: Mr. Chairman, this is a most interesting question and a very significant one. Delegations have come to the committee to speak about the advantages of bilingualism. Nobody can deny that those advantages are infinitely important in the federal government service.

I do not think that anything has been proposed which would be likely to promote the study of both official languages of this country. The civil service should try to offer some special encouragement in order to incite those who are now in the civil service and want to be promoted, and even those who

want to enter the civil service, to make an effort to improve their knowledge of both languages.

I know that the hon. member for Timiskaming (Mr. Peters) suggested that the civil service set up some courses to enable those who are now working in the civil service, and those who want to enter that service, to prepare themselves by a better training in respect of bilingualism.

I shall not go as far as to ask for an absolute preference for bilingual people, though I believe that we should in all fairness, do so, because we need them more than we think.

Of course, in some cases, bilingual employees are asked for, but in others, they are forgotten. I remember that, not very long ago, a superintendent for the post office in Ottawa was not required to be bilingual, though he was responsible for the post offices in the ridings of Pontiac, Gatineau, Hull, Papineau, part of Labelle, Argenteuil, and part of eastern Ontario. Yet, the great majority of the population in those districts is French Canadian.

The needs of bilingualism were disregarded. I am not blaming this government more than any other. This situation has obtained for a long time. But it is high time to correct it.

That is why, in order to have some incitement, I move the following amendment to clause 47. Clause 47 will become section 1 and the following section 2 will be added. It reads as follows:

47. (2) At the time of competition those candidates who can establish that they possess a sufficient knowledge of the two official languages of Canada shall benefit by an added 5 per cent over all other candidates and shall be placed in order of merit.

(Text):

In English the amendment reads as follows:

That clause 47 in the bill become subclause (1) and that the following be added as subclause 2:

47 (2) At the time of competitions, those candidates who can establish that they possess a sufficient knowledge of the two official languages of Canada shall benefit by an added five per cent over all other candidates and shall be placed in order of merit.

(Translation):

Mr. Valade: Mr. Chairman, I am inclined to share the views of my friend from Hull about section 47 of the present act.

Past experience has shown that a statute can lend itself to various interpretations. Therefore, if the wording is so flexible as to leave it to a high official to judge the degree of bilingualism of an employee, I think that some categories of employees run the risk of being forgotten or overlooked in favour of others—they are very few, but they might be important—who may be prejudiced against a certain group of citizens.

I must say that the present government has made serious efforts to improve the knowledge of the French language in the civil service.

However, as far as the amendment moved by the hon. member for Hull is concerned, I wonder if the proposed formula is accurate enough for preference to be limited to the candidate who has obtained 5 per cent more marks because he speaks French and English. In my opinion, the knowledge of one of the official languages of the country should represent a higher percentage of the marks.

In my opinion, the government would do well to rewrite this clause so as to give it more teeth, so as to make it more accurate. It should definitely and absolutely provide that preference be given to candidates who are truly bilingual.

As for the degree to which a person is bilingual, that could be the subject matter of another amendment which would recognize the value of bilingualism. The civil service commission could be entrusted with the task of establishing a certain scale.

As far as I am concerned, I approve the principle of the amendment moved by the hon. member for Hull, and I commend my hon. friend for his idealism.

(Text):

Mr. Bell (Carleton): No clause of the act has had more careful and detailed consideration than has this one. It is a difficult and sensitive one. The language of the draftsman has been most carefully chosen in order to try to achieve an objective which will be sensitive to national unity. I should like to point out to the committee that in the first instance the old act, in section 17, required the language only of the majority of the persons in the local office with whom that person was required to do business. In other words we start from the premise that the existing situation is the local office. The new act deals not only with the local office but with the department. In that sense it is a departure from what has been the precedent in the old act.

I wish to submit to the committee that there are two extremely important tests and that these tests have been expressed in carefully chosen language. The first test is:

—sufficient to enable the department or local office to perform its functions adequately—

The second test is this:

—to give effective service to the public.

As I have said, that is language which was most carefully considered and which was designed to meet what is unquestionably a most difficult problem. My submission to the committee is that this is a problem for administrative as opposed to legislative action; that in legislative action it might well be that you create a strait jacket which will not achieve the purpose the hon. member for Hull professes to have in mind. If the purpose can be achieved within the limits of these two tests by administrative procedure, that is something which I am sure would meet the wishes of all hon. gentlemen of the committee. Therefore my suggestion is that those two tests are sufficient and, because of the careful consideration given to this matter, ought to be adopted by the committee.

Mr. Martin (Timmins): Mr. Chairman, I wish to say a word or two in support of the amendment proposed by the hon. member for Hull. I think it is a good amendment; I think it is very sound.

Throughout this country we have a great and growing need for people, not only in the civil service but elsewhere, to be able to speak the two languages. I think anything to encourage this, such as is suggested in the amendment, is very worth while. I see no reason why this should be a drawback in any way, shape or form and I can think of many, many cases in which this would be a decided asset. I think it is a very sound amendment and I support it fully.

Mr. Caron: Mr. Chairman, I followed very closely the remarks made by the hon. member for Carleton. The amendment which is now proposed does not in any way change what is the law. I think what we have before us at the moment is better than we had before, but it is not quite enough yet because it does not give the incentive to those who would be interested in learning the two languages. The additional 5 per cent on their remuneration would encourage people to learn the secondary language and would not change the bill as it is now.

It would be an incentive to those who may be interested in learning the secondary language if they could earn more by reason of so doing. I do not blame a person who does not need it and who does not learn the secondary language, but if people have an incentive to earn something out of it, they will do so. This is the reason for placing this amendment before the committee.

(Translation):

And I would agree with the hon. member who had the floor a moment ago that what I propose is not momentous, it is but a speck of dust in the universe. But I am convinced that we must not effect changes overnight. We should start from this speck of dust and quietly eliminate that laziness of the mind from which we all suffer, once the necessity of two languages or the intellectual superiority gained through the knowledge of two languages is understood. We learn a second language when we feel the need for it. Such an attitude would encourage civil servants to study a second language more assiduously since this would give them a chance for promotion in the civil service. This is why I moved this amendment.

(Text):

Some hon. Members: Question.

Amendment (Mr. Caron) negatived: Yeas, 16; nays, 43.

The Deputy Chairman: I declare the amendment lost. Shall clause 47 carry?

Clause 47 agreed to.

On clause 48—*Probationary period.*

Mr. Matheson: Mr. Chairman, may I ask the parliamentary secretary whether subclause 2 of clause 48 means an additional year.

Mr. Bell (Carleton): Not more than an additional year. It may be for any period up to a year.

Mr. Matheson: May I ask the parliamentary secretary whether it would not be better to simply change the wording to read:

—extend the probationary period of an employee, but the period of the extension shall not exceed one year—

Mr. Bell (Carleton): I do not think so. By first answer may have been incorrect because subclause 1 covers a period of one year, or such longer period as the commission may establish. Consequently subclause 2 requires this rather complicated language in order to cover the second eventuality of such longer period in excess of one year.

Perhaps I may express it this way. If under subclause 1 the commission established a period longer than one year, then under subclause 2 the extension could be for such longer period as is covered by subclause 1. I hope that is intelligible to the hon. member for Leeds and to the other hon. members of the committee. I am not sure that it is to the hon. member for Carleton. However, I am advised that I am quite right.

Mr. Matheson: May I ask another question. Is there not a disadvantage in a person being a probationary employee indefinitely? Even if it were for a limited period of perhaps two years, would that not be more desirable than something as vague as this? I am asking

the question why something so curiously vague should be in the bill at all?

Mr. Bell (Carleton): Because of the really very great variety of positions in the service I think the hon. gentleman will agree that there has to be the type of probation that is provided for here. While in its generality there is what perhaps may be described as vagueness, in relation to the particular employee there is none. That particular employee will know that his period of probation is "x" months and consequently he knows that he must meet the standards of efficiency during that particular period of time.

I think the real test of the clause is to relate it to the individual, and in relation to the individual it has no vagueness.

Clause 48 agreed to.

On clause 49—*Rejection.*

(Translation):

Mr. Caron: Mr. Chairman, it seems that the same question of the extraordinary powers vested in the deputy heads is always at issue. That situation seems to have existed at all times and the great danger of giving too much power to individuals has been demonstrated. This is why I move the following amendment:

That clause 49 be amended by adding the following subclause:

(2) An employee who feels he has been wronged may appeal the decision.

Subclause (2) becomes subclause (3).

(Text):

The Deputy Chairman: Mr. Caron moves:

That clause 49 be amended by placing subclause (2) as (3) and by adding the following subclause:

"(3) The employee who believes that his rights have been encroached upon can appeal the decision."

Amendment negatived: yeas, 11; nays, 51.

The Deputy Chairman: I declare the amendment lost.

Clause 49 agreed to.

Mr. Pickersgill: Before we proceed any further, I wonder if we could have copies of the bill in both official languages. There are no English copies.

Mr. Bell (Carleton): Copies of the bill have been available in both languages for several months. Everybody has had them.

The Deputy Chairman: I am advised by the Clerk that the bill has been widely distributed in both languages and that no other copies are immediately available.

I am glad to see that the hon. member for Bonavista-Twillingate has now received a copy.

Mr. Pickersgill: I have received a copy from my member.

[Mr. Matheson.]

On clause 50—*Tenure of office.*

(Translation):

Mr. Caron: Mr. Chairman, clause 50 introduces something which is extremely peculiar. Section 50(1) reads as follows:

The tenure of office of an employee is during the pleasure of Her Majesty, subject to the provisions of this and any other act and the regulations thereunder, and, unless some other period of employment is specified, for an indeterminate period.

Now the peculiar point is in subclause (2):

Nothing in this act shall be construed to limit or affect the right or power of the governor in council to remove or dismiss any employee.

I feel that the government here is assuming powers that are slightly too discretionary. It seems to reserve to ministers or to the governor in council the power to ignore everything else in the act and, at their own discretion to dismiss whoever might be recommended to them for dismissal.

I feel it is not normal to include such a provision in the bill; I therefore move that clause 50 be amended by the deletion of subclause (2).

(Text):

The Deputy Chairman: Mr. Caron moves:

That clause 50 be amended by deleting subclause (2).

Mr. Bell (Carleton): I shall have only two or three statements to make in connection with this amendment. This particular subclause is merely a preservation of the over-all prerogative of the crown. It is in the existing act and it was never repealed—a provision that nothing should impair the power of the governor in council to remove any deputy head, officer, person or employee. This subclause merely carries on that provision.

I think it is significant that the maintenance in this bill of this particular subclause which the hon. member seeks to delete was approved by all three members of the civil service commission who appeared before the special committee as witnesses. It is also significant that no representations of any kind were made in relation to it by any of the civil service staff associations. I think the hon. member is well aware of how carefully in clause 60 new provisions have been set forth dealing with dismissals and the right of appeal. This particular provision merely preserves the over-all prerogative of the crown, one which I am sure will not at any time be abused. In view of this I shall ask the committee to reject the amendment.

Mr. McIlraith: The subclause as it now stands reads:

2. Nothing in this act shall be construed to limit or affect the right or power of the governor in council to remove or dismiss any employee.

This appears on first reading to be very wide in its language and undoubtedly it is, but I do not see any way of restricting that right—one which I hope will never be abused, though in accordance with the language as it appears in the bill it certainly could be abused. But I do not see any satisfactory way of restricting that right. It seems to me that a government has to be held responsible for the administration and the discharge of its duties and that in line with that responsibility there must be this power of dismissal.

I recall a situation which developed in this country some 15 years ago in which this power was of real value to a government. I am not aware of the provision ever having been abused. It seemed to me as I listened to my colleague moving his amendment that the circumstances in which this provision might be required were not fully understood, and I wonder if he would not consider withdrawing the amendment. I am not altogether happy with the language as it now stands, but I have nothing better to suggest.

Mr. Caron: I have now heard something about the reason why the provision was placed in this bill, and I think I can accept the suggestion of my colleagues not to present this amendment if that is the wish of the committee.

The Deputy Chairman: The amendment is dropped by consent.

Amendment dropped.

Clause 50 agreed to.

Clauses 51 to 54 inclusive agreed to.

On clause 55—*Order of laying off.*

Mr. Caron: I wish, now, to move an amendment which was suggested by some of those who appeared before the special committee.

(Translation):

Subsection (1) of this section should be reworded as follows:

(1) Where two or more persons employed in positions of the same general grade in any unit of a department are to be laid off, or where one person is to be laid off and there are other persons holding positions of the same general grade in the same unit of the department, the commission shall list the persons holding positions of the same general grade in an order of lay-off according to merit and seniority, and such persons shall be laid off in order beginning with the person lowest on the list.

Subsection (2) remains as it is now in the present bill. I further propose that the following subsections (3) and (4) be added:

(3) The deputy head must give written notice to any person whom he intends to lay off, as soon as possible before the date on which such lay-off is to come into effect and, under any circumstances, no less that thirty (30) days before that date. This notice must also inform the employee of his right to appeal before the commission within fifteen (15) days of receipt of the notice.

(4) In the hearing of an appeal against the selection of those who are to be laid off, the commission can take or require to be taken any steps which it deems appropriate.

(Text):

Amendment (Mr. Caron) negatived: Yeas, 13; nays, 49.

Clause 55 agreed to.

Clauses 56 to 59 inclusive agreed to.

On clause 60—*Notice of dismissal recommendation.*

(Translation):

Mr. Caron: Here again, this concerns the extraordinary powers that are delegated.

Because of the extraordinary powers that are always conferred on the deputy head, the person responsible for a branch, we cannot deny that he has certain responsibilities and, accordingly, certain rights, in such cases where this official could cause prejudice through his decisions, I think that a right of appeal should be granted.

Therefore, I move the following amendment to section 60: That subsection (1) be amended by the addition after the word "decision" of the following words:

"and of his right of appeal".

(Text):

Mr. Bell (Carleton): Mr. Chairman, I have no criticism of the objective which my hon. friend has in mind. Certainly I think every person who may be dismissed ought to know of his right of appeal. But I have not the slightest doubt that they will in fact know of it. This problem was carefully considered by the special committee. The reason the special committee did not adopt the suggestion, as I recall it, was that it would be necessary for the draughtsman to go through the act completely and in every case where reference was made to a right of appeal insert in the section an indication that notification must be given the employee. Otherwise, by principles of interpretation, where this was not in fact inserted in the section there would be grave difficulties.

If my hon. friend were to press this point the only thing that could happen would be that the clauses would be held up and would require to be referred back to the draughtsmen. I do not think this is a practical problem, quite frankly. I say to the committee that every dismissed civil servant is going to know on his dismissal that he has a right of appeal. Civil servants know that this is a new right of appeal which is being granted and spelled out in the legislation before us. I hope we would not delay the passage of the measure by having to refer back to the

draughtsman so that each section might be contemplated in the light of the principles of interpretation of which I have spoken.

Mr. Pickersgill: Mr. Chairman, the parliamentary secretary has just given the most eloquent argument that could possibly have been given in favour of the amendment moved by my hon. friend from Hull. This bill is not one of those casual amendments that are made to legislation from time to time. This is a complete review of the Civil Service Act, the first that has been made for many years. If as the parliamentary secretary has stated this amendment commends itself to him in substance and it is merely a matter of taking a little time to see that this important statute which is the charter of the rights and obligations of public servants is properly drafted, it does not seem to me that that kind of delay is the kind to which there should be any objection whatever.

I feel that the parliamentary secretary should consider very carefully accepting this amendment and if consequential changes are necessary they should be brought forward so that the committee could examine them. It is all very well for the parliamentary secretary to say that the employees will know what their rights are in this matter but if it is such a big job for the draftsman to go through this bill in order to ascertain that it is properly drafted—and he is an eminent lawyer—how is a clerk grade I, if they are still called that, or a messenger expected to know precisely what his rights are?

It seems to me there should be no doubt that the employee will know precisely what his rights are when it is proposed to dismiss him. In the most moderate way possible I urge the government to accept in principle at any rate the amendment moved by my hon. friend, and if there are other consequential amendments to bring them forward to the committee so that we may be absolutely sure that these people whose livelihood it is suggested is going to be taken away from them will be told precisely what their rights are.

The parliamentary secretary and I were in the public service at certain stages of our lives. Probably we did know what our rights were although I must confess I was never very sure of mine. I have known of cases in the past where employees did not in fact know what their rights were. They never had it explained to them. In some instances, through the efflux of time they were unable in fact to exercise the right of appeal. If this happens even once in a decade it is too often. It should not happen at all because of the failure on our part as legislators to put a clear obligation on a deputy head to ensure that these rights are adequately safeguarded.

I am not seeking in any way to be contentious about this but I think my hon. friend from Hull has brought forward a logical amendment soundly based in law and common sense and that it would be in the general interest to accept it.

Mr. Herridge: I find myself in complete agreement with the remarks of the hon. member for Bonavista-Twillingate. I do hope the parliamentary secretary will give some consideration to the amendment moved by the hon. member for Hull, particularly in view of what I thought was an extremely moderate and constructive approach to this question by the hon. member for Bonavista-Twillingate.

Mr. Bell (Carleton): I can only say that the special committee, which was representative of all parties in this house, gave very careful consideration to this particular point. They consulted the draughtsmen of the bill and they took his opinion in relation to it.

My hon. friend from Bonavista-Twillingate says that I agree with the amendment. Perhaps I would have to say that the attitude I took was that I had no serious disagreement with the amendment at all but I would suggest, first, that it is unnecessary and, second, it would involve serious delay in the passage of the bill and I would ask the committee not to pass it.

Mr. Howard: On this question of whether it is unnecessary, I think the parliamentary secretary is over-simplifying things when he says it is not necessary. I do not want to go over the same ground that the hon. member for Bonavista-Twillingate covered with respect to whether or not individuals within the public service know their rights. But I have had some experience in this, having spent some time in the trade union movement where day after day and week after week it is a question of dealing with a collective agreement that might exist. Even in those circumstances, where there is a continual campaign of attempting to acquaint members with their rights under collective agreements, after months and months of discussions of this sort of thing, there are still many employees in industry covered by collective agreements who do not know what their rights are. Surely in an institution such as the public service of Canada, where this sort of educational program and discussion and policing of a collective agreement do not go on, we can expect there will be a higher percentage of people who will not know what are their rights.

Even an individual who fails to qualify for unemployment insurance benefits receives a notification from the commission, and on the notification which says he is disqualified he is told he has the right to appeal within so

many days and he can be represented by a union or anybody else. There is an explanation of what are the rights of an individual even in an unemployment insurance case. Surely it is necessary to have this sort of indication in this clause. If the parliamentary secretary or anyone else says that it would really take up too much time to protect the rights of the individual in this country, I think he is perhaps stretching the reasons for objection a little too much.

Mr. Macdonnell: Mr. Chairman, may I say a word. I was impressed by what the hon. member for Bonavista-Twillingate said, but I also feel that the chance of anyone suffering from not knowing what his rights are is so infinitely remote that I am prepared to go along with the decision made by the special committee after serious consideration. This is a day when appeals are in the air and we are all Philadelphia lawyers, and I just do not believe the amendment is necessary.

Mr. Pickersgill: Before the amendment is put I should like to make one more appeal to the parliamentary secretary. I recognize that he is not a minister. But I would even go so far as to say that since we have a Conservative government I rather regret that he is not a minister, not in our party interests but in the interests of the country.

As I say, I recognize that he is not a minister and that it would be rather embarrassing for him to make a decision on this point off the bat here in the committee this evening. But it does seem to me the point is of sufficient importance, involving as it does a subject very dear to the heart of his leader, namely human rights, that I would suggest to the parliamentary secretary that he let this clause stand and that we go along with the rest of the bill—

An hon. Member: No.

Mr. Pickersgill: —and that we do not seek to rush a matter where human rights may be involved and, in my opinion, are involved, but that we take a few minutes tomorrow after the government has had a chance to look at this and at what the draughting problems are. If they come to the conclusion that, notwithstanding these arguments, they want to go ahead, of course they have a majority and I do not think there will be a filibuster. I am just expressing my personal opinion, but I think that in a matter of this kind, where we want to be non-partisan, where we want to do what is right and fair, the course I am suggesting to the parliamentary secretary is one which I am sure would commend itself to him.

Mr. Bell (Carleton): The blandishments of my hon. friend, coupled as they were with a particular type of kiss which he administered, perhaps may be attractive, and perhaps I would succumb had this not been the subject of deep consideration by the special committee. The special committee having considered it, and having discussed it with the draughtsmen, I venture to suggest that the committee as a whole ought to adopt the clause in its present form.

The Deputy Chairman: The question is on the amendment.

Amendment negatived: Yeas, 14; nays, 52.

Clause 60 agreed to.

On clause 61—*Partisan work prohibited.*

Mr. Howard: Mr. Chairman, I have a few comments to make on clause 61 which has to do with political activities. This clause is most objectionable to us. I believe the present section of the act, section 55, deals with the substance of political activity and political partisanship. While section 55 is restrictive, in so far as political activity is concerned, nevertheless it does allow a modicum of political freedom in that in so far as I interpret it—and others have given it the same interpretation—the prohibitions contained therein, in so far as engaging in partisan work is concerned, are confined to the period of an election. I would say that refers to the time between the issuance of a writ and election day. Section 55 does not prohibit an employee in the public service from participating in political activities or from belonging to a political party at times other than during the period of the election. I see the parliamentary secretary looking askance at me. I wonder whether I am talking about the right section.

Mr. Bell (Carleton): Yes.

Mr. Howard: Perhaps it was only a look of disagreement.

Mr. Bell (Carleton): Only to indicate that I see very little difference between old section 55 and the present clause 61.

Mr. Howard: Those were the hon. gentleman's remarks in the special committee as I understood them, Mr. Chairman.

To my way of thinking clause 61 is a complete removal and denial of political freedom and political expression except that the right of the individual to proceed to a polling booth on election day to cast his ballot as he sees fit is protected under the Canada Elections Act. Apart from that this clause removes or emasculates any political expression that the individual might have. At one time within the federal public service, and I suppose in the various provinces of Canada as well, there used to be some connection between

employment and political affiliation. I gather that was some years ago. Since the advent of employment by merit and appointment by the civil service commission after competition with other candidates, the sphere of political interference with respect to employment in the public service has lessened. Consequently the degree of restriction on the activities of such employees in the political field should also be lessened.

I think this clause of the bill is directly contrary to our concepts with regard to the expansion of political freedom and the extension of political democracy and also directly contrary to the trend which I understand is taking place in other countries in the world toward extending political freedom and the right of political expression and participation to employees in the service of various governments. As I look at the situation, I would say that no employer or individual who pays the wage or salary of such a person should have the right to dictate to the employee what his activities should be outside the period of time for which he is being paid. We would object to this most strenuously in private industry. If industry in paying wages to an individual attempted to tell him how to vote or how not to vote, what meetings to go to, what party to belong to or to prohibit him from belonging to any party, we would object to this as being an unconscionable act on the part of private industry. Yet we are being asked to do substantially the same thing in this clause. We are being asked to say that an employee in the public service of Canada cannot engage in any political activity, period, apart from casting his ballot on election day.

In my opinion this is contrary to what we consider to be the concepts of the bill of rights which refers to the inherent freedom of speech, freedom of association and assembly. As I read this clause, there is no inherent freedom of speech so far as an employee of the public service of Canada is concerned. He cannot express his opinions on behalf of a candidate for election to the House of Commons, the legislative assembly of a province or the council of either one of the territories.

Under paragraph (b) of subclause 1 the employee is also prohibited from receiving or in any way dealing with any money for the funds of any political party and he is liable to be dismissed if he does so. By virtue of this clause in the bill an individual employed in the public service is denied the right to be a member of a political party, simply a card carrying member, and is also prohibited from contributing financially to a party. Regardless of the denial of the rights of freedom of expression, he is denied that right. He is even denied the right to subscribe to a publication of a political party, and the clause can be stretched to the extent that he would be denied the right to purchase books published by or promoted and sold by political party agencies. He is perhaps even denied the right to contribute by tossing 50 cents or a dollar into the hat when it is passed at a political meeting because of the prohibition of contributing to the funds of any political party. He may have the right to think, but there is some doubt about that.

Surely we should not be thinking of placing restrictions of this type upon individuals in this day and age just a year or two after we enacted the bill of rights ensuring and enshrining forever the right of freedom of speech and freedom of expression. We should be moving in the other direction in granting these freedoms, rights and responsibilities instead of moving to deny them and to make these people nothing more than units in the public service of Canada. I think this clause should be amended, and the gist of the amendment I intend to move is such as to indicate that we also think there should be some restrictions on such activities.

We say that a person in the public service should be prohibited from engaging in political activity or working on behalf of the election of a candidate during his hours of duty because he is being paid for the work he is performing. We also think that an employee in the public service should be prevented from using property of Her Majesty or of the crown, such as letters, stamps, automobiles or other facilities that may be available to him as a public servant, to advance the cause of any political party. Apart from that, outside his working hours he should have the same fundamental rights and political freedoms as everyone else has in this country. Therefore I move:

That clause 61 be amended by deleting therefrom subclause 1 and substituting therefor the following:

"1. No deputy head or employee shall during his hours of duty engage in partisan work, or at any time use any money, materials, facilities or other property of Her Majesty

(a) in connection with any election for the election of a member of the House of Commons, a member of the legislature of a province or a member of the council of the Yukon territory or the Northwest Territories, or

(b) in connection with any form of political activity."

Mr. McIlraith: Mr. Chairman, I must indicate at once that I cannot agree with the amendment offered by the hon. member for Skeena. As I read his amendment, it simply provides that a civil servant must devote the time during which he is employed to the work for which he is hired and the second part provides that he must not commit theft.

Surely that is not what the hon. member intended by the amendment, and I am quite sure it is not. If he will look at it again he will notice that it is in the form of preventing a civil servant from using his hours of duty for political party work. Surely he is hired to use his hours of duty for the work of the department and if he is not doing that he is breaking his terms of employment.

As for the second part, which provides that he must not use money, materials or other property of the government in connection with party work, surely he has no right to use government property for his own purposes. That is elementary. It seems to me that the amendment does not express in language the idea that the hon. member was seeking to put forward. As I understood his idea, it was that any prohibition against a civil servant taking part in partisan activity should only apply during his hours of employment. That is my understanding of the position he took.

The old section 55 of the act and the new clause 61 of the bill are, as I read them, in substantially the same language. They are different in form but they are designed for the same purpose. Perhaps it is well that we should read clause 61. It is in these terms:

61. (1) No deputy head or employee shall (a) engage in partisan work in connection with any election for the election of a member of the House of Commons, a member of the legislature of a province or a member of the council of the Yukon territory or the Northwest Territories; or

(b) contribute, receive or in any way deal with any money for the funds for any political party.

(2) Every person who violates subsection (1) is liable to be dismissed.

This clause in the bill and its predecessor in the act have been relied on by the civil servants as a protection to them and indeed they have been a useful protection to them through the years. The subject was dealt with in the special committee. There I expressed the idea that my understanding of the interpretation of the words, "engage in partisan work" was that they did not prevent civil servants from actually attending a public political meeting, although I believe that very few of them do so. However, I see nothing in that language which prevents their doing so.

Then I went on to deal with the matter of paying membership fees to a political party. To me it seems that once a civil servant has paid his membership fee to a political party, he has then taken an active step on his part indicating his partisan interests, and similarly if he is collecting funds for the party. In that case, in my view, he has put himself in a position in which his interest as a dues paying member of a political party may be in conflict with his duty as a civil servant; and I take his duty as a civil servant to be to carry out the administrative processes in his particular class of work according to the policies of the government of the day and enacted by parliament, as the case may be. Surely it is a protection to the civil servant that he is not permitted to be put in a position in which his interest is in direct conflict with his duty. As I read the clause and as I have understood it over the years, my observation has been that it has been reasonably effective and that it has accomplished the objective of protecting the service. I should hate to see anything done that would bring civil servants into a position in which they are either in conflict with the duties which they are expected to perform as civil servants or in which they can be reasonably suspect of being in a position in which their personal interest conflicts with their duties as civil servants. My hope would be that nothing would be done in that connection that would bring about such a situation.

There is one other aspect of this matter that concerns me and it is something new that has arisen since the matter was considered in the special committee. The prohibition in clause 61 is with regard to a civil servant engaging in partisan work in connection with the election of a member of the House of Commons and other legislative bodies enumerated and with respect to contributing, receiving or dealing with money for the funds of any political party. There is no prohibition with respect to a civil servant engaging in partisan work in the civil service in connection with a political party which does not have members seeking election to the House of Commons. It is a strange anomaly that has arisen only once to my knowledge, or in one case that I have ever heard of. If he takes care not to contribute funds to that particular party or not to receive or in any way to deal with funds, he is as free as he can be to advocate in an active way the political philosophy he has in mind and to take part in partisan activities. I do not think that sort of thing was ever intended. I think it is purely a case of its never having been thought of.

As the committee and the parliamentary secretary will appreciate, there was the case to which I am referring, namely the case of the Nazi who was a civil servant and who was actively participating in the work of that party, with its many ramifications. This situation is wholly inconsistent with our ideas with respect to a civil servant taking part in partisan activities. Yet not a thing could be effectively done with him under this section. There may be other remedies. It is a rather interesting case. I want to ask the parliamentary secretary whether any examination has been made of that situation since this

clause was before the special committee. If so, what conclusion, if any, was arrived at concerning the matter?

Mr. Bell (Carleton): Just to answer the last question of the hon. gentleman may I say this. So far as I understand it, no special examination has been undertaken of the provisions of this act having regard to the particular employee and the particular incident to which he refers. The situation with respect to that particular employee has not been related to this section. I am sorry but I cannot give my hon. friend the particulars. May I simply say to him that, with respect to his other remarks, this is one of those occasions on which I agree wholeheartedly with my neighbour and friend.

Mr. Grafftey: There is just one thing I should like to bring out. The hon. member who immediately preceded me in speaking seems to have a set of facts much more clearly in his mind than I have them in mine—

Mr. Pickersgill: That is not unusual.

Mr. Grafftey: —with respect to engaging in partisan work under clause (a) of clause 61. What I mean is this. There are many ramifications in connection with what the hon. member said as he went through what he felt constituted partisan work to elect a member of parliament. However, the fact is this. We all know very well that the constitution of every political party states that the people who are members of an association must abide by the constitution of that party which is dedicated to electing as a member to the House of Commons or the legislature, as the case may be, somebody of the particular political colour represented by that party. Do I understand the situation correctly? I really and sincerely feel that this is something with regard to which we would be performing a useful function if we clarify it right here and now. For instance, in my own particular riding may an immigration officer appear publicly at a political meeting and have his picture appear in the local press, let us say, with the executive of a political organization? Is this procedure contravening this article? If it is doing so, may I say it is something that certainly happens in my riding as it might happen in the ridings of other hon. members.

I must say that I quite agree with the hon. member who preceded me in speaking, that this is something that is not clear in the minds of civil servants in particular, the public in general, and perhaps even members of parliament, although I do not know that. We all know that partisan activity or work is involved when we attend political meetings. After all, what are we doing at a political meeting? Are we just sitting there and passing the time of day? No, Mr. Chairman; we are there organizing to elect candidates of our choice to political office, provincially or federally. I think possibly the hon. member who preceded me has helped to muddy the issue there. We all know very well that is what is involved. May an immigration officer appear publicly at a political meeting, and have his picture in the press supporting a political party? This happened recently in my area. I should like to have an answer to that question. I do not think the hon. member who preceded me has given the answer.

Mr. Bell (Carleton): I should like to say only this. As I understand the situation, there is certainly no restriction upon any civil servant with respect to appearing at a political meeting. However, at such a meeting he has no right, under the existing legislation, to express his views in support of or in opposition to those which are being expressed at that particular time. I mentioned in the committee the incident that occurred many years ago in connection with a customs appraiser in Montreal who went to a Liberal meeting. At the Liberal meeting he interrupted and shouted, "Hourra pour les bleus!" He was immediately thrown out, so he went across to a meeting down the street and there shouted, "Hourra pour les rouges"!" He was thrown out of there and ultimately he was thrown out of his job, although subsequently he was reinstated.

I say that in my own riding political meetings could not be held were it not possible for civil servants to attend such meetings. But for servants to take an active, participating, organizing part would in my opinion—

Mr. McIlraith: Or be photographed in the way described by the hon. member.

Mr. Bell (Carleton): —or to permit himself to be photographed in the way described by the hon. gentleman, would be improper under this particular clause.

Mr. Macdonnell: Mr. Chairman, I should like to make one comment on the question of being photographed at these political meetings. When one considers the words, "engage in partisan work", I think common sense is a pretty good guide. If a man goes to a meeting and happens to be photographed in the body of the meeting, that is not likely to attract much attention; but if he has himself photographed with the executive of a party, I think in common sense that is getting very near engaging in partisan work. He is really aligning himself with a party.

I thought the hon. member for Ottawa West described extremely well the reason for this prohibition. It seems to me that when we use general words about the bill of rights and say that every man must have his rights, we have

to take time off to look at the essentials of the situation. I think all of us realize that when a man is in the civil service, where today he may be working as, say the agent, for want of a better word, of one party one week and a week later he may be the agent of another party, he has to maintain a certain aloofness from both parties.

As I understood it, that was in effect what the hon. member for Ottawa West said, that a man had to maintain an independence which does not apply to any man except one who is engaged in the business of government. When he is engaged in the business of government it seems to me there are certain limitations, which the hon. member for Ottawa West described so well, which inevitably apply to him.

Mr. Martin (Timmins): Mr. Chairman, I have no intention of recapitulating any of the arguments advanced by the hon. member for Skeena. I endorse them wholeheartedly. I should like to add, however, that I do not think you will find one newspaper across this country from coast to coast who does not at one time or another cry out about the apathy of the voting public of this country.

We are now being asked in this committee to legislate or to create apathy by statute. We are the greatest single employer in this country and we are ordering by statute all our employees to be apathetic as far as taking an interest in political affairs is concerned.

I realize the parliamentary secretary illustrated what may have been a humourous incident which happened in Montreal regarding the "bleus" and the "rouges", but I should like to give an example of what happens when there is neither a "bleu" nor a "rouge" government in power. In the province of Saskatchewan at the present time there is a civil servant still employed by that government who is sitting as a Liberal member of the opposition. He is drawing his indemnity as a member and also his pay as a civil servant when he is not sitting in session in the legislature. Apparently this has worked out very well so far, so I do not think this bogey that we have heard about is at all worth while.

I think this is something we have built up in our own minds. I worked for some 11 years as a civic servant, which is very similar to being a civil servant; it is a first cousin to a civil servant. Civic employees are not supposed to have any political beliefs, but they have them. They are not supposed to express them, but I called their bluff. I think if we spend time here legislating that the largest group of employees in this country shall not have the same rights as any other employee in this country, we had better take another look at just how democratic we are.

If they are working on political affairs to the detriment of their job, there is a legitimate complaint and they should be reprimanded or dealt with. But once they have done the job they are being paid for, during whatever time they have left, be it on their evenings off, their days off or their holidays, they should have entirely the same rights as any other Canadian living in this country.

Mr. Milligan: Mr. Chairman, I am rather concerned about this particular clause. For clarification I wondered whether this matter could be dealt with. As the hon. member for Greenwood has said, common sense should be used. I quite agree with that. I quite agree that key civil servants should not be taking an active part in politics.

However, there are many mail couriers throughout Canada who refrain from taking any active part in politics because they are afraid they will lose their positions. Mail couriers are today obtaining the job by low tender; it is not a matter of belonging to a political party, yet they are civil servants.

Mr. Bell (Carleton): No, they are not civil servants.

Mr. Milligan: They are afraid of taking any part whatsoever in political meetings because complaints might be made. I wish to ask the parliamentary secretary this question: if they attend a political meeting, can someone complain and are they liable to be removed from that position?

Mr. Bell (Carleton): I think I should say that a rural mail courier is not a civil servant. He is not governed by this act; he is an independent contractor. As I recollect, a very clear statement was made by the Postmaster General to the house on this subject. He made it clear that when the courier was not engaged in the actual duties of delivering Her Majesty's mail he was not subject in any way to any infringement of his political rights.

Mr. Pickersgill: Mr. Chairman, the parliamentary secretary may think that the Postmaster General made a very clear statement, but I remember we asked the Postmaster General why the same rule was not applied to public works contractors who, when they are engaged in building a public building, are still allowed to take any part in politics they like without any interference from the government.

Of course, this matter is quite irrelevant to the bill. As the parliamentary secretary has said, these mail couriers are independent contractors, but this usurpation of power by the Postmaster General, with no statutory

authority behind it, is something that, having been raised by the hon. member, I think ought to be condemned.

Mr. Howard: Mr. Chairman, the hon. member for Ottawa West spoke about the amendment as though it meant a civil servant should not loaf on the job or become a thief on the job. We start from the premise that a person has some rights unless they are taken away from him. In my opinion, if this amendment were adopted it would mean that a man has all the political rights and freedoms except when on the job during working hours, and he ought not to use public property in order to engage in this sort of activity. A man maintains those rights unless they are removed, and to this extent the amendment is clear. In effect it removes those rights during working hours and so far as the use of someone else's property is concerned. I cannot follow the reasoning that employees in the public service must not belong to, or support, or indicate any preference for a political party other than that which happens to be in office. This is the reverse of the coin of the argument as given here. Apparently it is all right to be a Tory when the Tories are in office, or a Liberal when the Liberals are in office, but you cannot be a Liberal when the Tories are in office or vice versa.

An hon. Member: Nonsense.

Mr. Grafftey: Poppycock.

Mr. Howard: "Nonsense" seems to be the favourite word of some hon. members. But let me follow this through. What, in fact, is being said is that the political convictions of the government in office must filtrate through the entire structure of the civil service.

Mr. Grafftey: Irresponsible ballyhoo.

Mr. Howard: That seems to be a favourite expression of the hon. member for Brome-Missisquoi.

Mr. Grafftey: It is the first time I have used it—the first occasion.

Mr. Howard: Well, it properly expresses his general attitude. If the hon. member disagrees with me, I am sure the hon. member for Bonavista-Twillingate will confirm what I have to say. The implication here is that the political complexion of the government in office should filter through the entire structure—that everyone should be neutral politically which, in effect, means agreeing with the political convictions of the government in office. This seems odd to me. Apparently it is all right for the wife of a public servant to be a member and supporter of a political party but it is not all right for the civil servant himself to be so. Apparently it is all right for him to have what sympathies he pleases, even though they may be politically contrary to the government in office, but he must not not express them. He can vote, but he cannot join a political party and express views which are contrary to those held by the government in office.

This situation was dealt with in the United Kingdom to some extent through the Whitley council. Though the system which exists over there is not on all fours with the amendment before us tonight, it is in part. In the United Kingdom they have a horizontal division among employees in the public service. Some have complete political freedom—the right to campaign and the like—while others, because of the positions they hold near the top of the administrative ladder, as it were, are prevented from participating in politics in this way because it is felt that their close connection with ministerial activity and authority might create difficulties. Perhaps there would be some sense in our following this line. Let me read a passage from a pamphlet published by the United Kingdom Information Service, Canada, dated January, 1959, called "The British Civil Service". I am reading from page 23 of that publication with respect to the Whitley council as follows:

> The government accepted a scheme under which about 62 per cent of the whole civil service (i.e. industrial and non-industrial, in all about one million people) are completely free from restrictions, about 22 per cent are free, subject to acaceptance of the need for discretion, to take part in all activities except parliamentary candidature, and 16 per cent remain debarred from national political activities. As many as possible of this last group who wish are given permission to take part in local government and political activities in the local field.

There is this further information:

> Any member of the group is completely free of restrictions who intends standing for parliament must resign his appointment before nomination day. If he is not elected to parliament he will, on application within a week of declaration day, be reinstated in his previous capacity. If he is elected, he will be entitled to return to his post provided that: (a) he ceases to be a member after an absence not exceeding five years; (b) he had not less than ten years actual service before his election; and (c) he applies for reinstatement within three months of ceasing to be a member.

This is the system which exists in the United Kingdom, a system under which about 62 per cent of the civil service, presumably those in the less responsible administrative posts, have no restrictions placed upon them and are completely free to engage in political activities and to express their political ideas without fear of dismissal or reprisals. It is immaterial whether or not their political views and activities are agreeable to the government in office. So the Whitley council whose recommendations were accepted by

the government, felt that the views expressed by the parliamentary secretary, by the hon. member for Greenwood, the hon. member for Ottawa West and others who have spoken about the need for political neutrality and the need for commonsense and discretion in these matters, applied, as far as the United Kingdom is concerned to only some 38 per cent of the civil service, and even some of those were allowed to have a modicum of political freedom subject to discretion as it is here called.

Surely we could easily follow an arrangement of that kind. If it is not agreeable to give complete freedom of political activity and expression, as is proposed in this amendment—I am not too attached to it—then certainly we could devise a proposal which would give some political freedom to people in the lower groups and, in doing so, really take a step toward granting wider political freedom to some individuals.

Amendment negatived: yeas, 3; nays, 53.

The Deputy Chairman: I declare the amendment lost. Shall clause 61 carry?

Mr. Howard: What we are seeking to do here, if I read the clause correctly is, in effect, to prohibit some employees in the civil service from engaging in partisan work in connection with elections to certain offices while allowing them to engage in partisan work in connection with elections to other types of office, notably municipal councils. These are not mentioned here and I assume, therefore, that there is a right to engage in partisan activity on behalf of candidates for municipal office.

Mr. Pickersgill: Or even against them.

Mr. Howard: We know that in some parts of Canada the communist party enters candidates for municipal offices. I am not saying that any member of the civil service would do so, but if he cannot work on behalf of a candidate for a responsible political party is he being put in a position of deciding to work on behalf of a candidate for the communist party in a municipal election? This is precisely what it allows.

(Translation):

In this day of Yom Kippur, when the Jewish religion imposes severe fasting upon its adepts, to expiate their sins, I have agreed to stand in for the hon. member for Cartier (Mr. Crestohl) who is unavoidably absent, and I move in his name the following amendment:

(Text):

That the following proposed amendment be approved by adding to section 61, subsection 1, the following subsection, to be known as (b) immediately after subsection (a), to read as follows:

"be a member directly or indirectly of any political party or group in Canada or elsewhere which is known to directly or indirectly advocate discrimination between people because of their race, colour, creed or religion."

And that the present subsection (b) be altered to be known as subsection (c).

Mr. Bell (Carleton): Mr. Chairman, we have already added in section 33 for the first time a non-discrimination clause. It is the first that has appeared in the Civil Service Act. This represents a step which I am sure met with the unanimous approval of all hon. members of the committee. I think under the circumstances the hon. member's amendment is unnecessary.

Amendment (Mr. Caron) negatived: Yeas, 10; nays, 43.

Mr. Howard: May I explain that I did not vote on the amendment because a copy was not available to me and I could not follow the rapid reading of it. Section 61 says that no employee should engage in partisan activity. Let us determine the exemptions to this. What people employed in the Canadian public service are free to engage in partisan activity and therefore contribute to political parties and so on even during working hours?

An employee is defined as a person employed in the civil service. In the definition of the words "civil service" it is explained that the reference is to positions in the public service, and certain exceptions are set out. A member of the civil service commission, for instance, can engage in partisan political activities, contribute financially and do whatever he likes. The Clerk of the House of Commons, the Clerk of the Privy Council and of the Senate and the secretary to the Governor General are not to be prohibited from engaging in this type of activity.

Mr. Pickersgill: They are all deputy heads.

Mr. Howard: I appreciate that.

Mr. Pickersgill: Therefore the first part applies.

Mr. Howard: I appreciate that. I am throwing in everyone I can.

Mr. Pickersgill: Including many who are not there.

Mr. Howard: Reference is made to prevailing rate positions. I am sure these are not deputy heads. The annual report of the commission for 1960 indicates that as of September 30 there were 24,172 prevailing rate employees. I assume these are the people referred to in the definition section as holding prevailing rate positions. If that is the case it means there are that many people in the public service who can participate in this type of activity in or out of working hours. I wish to know in what class are

salaried employees not under the Civil Service Act? I refer to page 34 of the annual report for 1960 where reference is made to this.

Mr. Bell (Carleton): That would refer to the national research council, the defence research board and several other organs of the public service as opposed to the civil service.

Mr. Howard: They would be free to engage in political activity, I take it?

Mr. Bell (Carleton): I am not passing an opinion on that. We are dealing only with the act relating to the civil service. While doing so I do not wish to give an interpretation in relation to others who are not within the civil service.

Mr. Howard: Presumably they are not prohibited by virtue of the provisions of this statute from engaging in political activities.

Mr. Bell (Carleton): It is correct to say they are not prohibited from doing so by virtue of this bill.

Mr. Howard: They may be prohibited by some other measure, but that is another matter. Certainly prevailing rate employees are not. Reference is made to some 3,000-odd persons described as ship officers and crews who are classed with government railway and ship employees. There are approximately 25,000 people employed in the public service who in my estimation may engage in political activities because they are exempt from the prohibiting clause.

Clause 61 agreed to.

Clause 62 agreed to.

On clause 63—*Annual leave.*

Mr. Caron: Mr. Chairman, I do not wish to move an amendment but I should like to bring to the attention of the committee the fact that there are thousands of employees who are part time employees and who may work three or four hours a day, for instance, in the Post Office Department. These people never have a leave of absence or a holiday. This has been complained about in the house more than once and each time the ministers in question said they would inquire and see if the situation could be remedied.

I referred to a girl who worked for four years in the unemployment insurance office in Montreal without a holiday. She was denied it because it was said she was not a civil servant. There is something wrong somewhere over there, and the parliamentary secretary to the minister should look into the matter to see what can be done. In the big offices in Montreal and Toronto there are thousands of employees working under like conditions who never benefit from any holidays whatsoever in the year. This situation should be corrected. It could be corrected easily if the government would look into the matter.

Mr. Bell (Carleton): I understand the Secretary of State is inquiring into the matter, and I will make a special note to speak to him about it.

Mr. McIntosh: I believe there is a clause in the existing act which states in effect that every employee will be granted one and a quarter days leave for every month worked, not to exceed a certain number of days in any one fiscal year. I think the clause is quite clear and there are no exceptions to it in the act. However, when it was put into practice it was found on several occasions I know of that there are regulations or treasury board minutes which supersede the intent of the act. In subclauses 2 and 4 of clause 63 there are these two phrases "as may be prescribed by the regulations" and "subject to the regulations".

I was very interested in what the hon. member for Greenwood said about common sense governing these acts. Unfortunately, apparently the hon. member has not come up against cases such as the rest of us have where common sense is not taken into consideration by officials of those departments. They go by the written rule. The point I am objecting to is that when the regulation becomes more powerful than the act itself a second look should be taken at the regulations, or certain restrictions should be put in them. I would ask the parliamentary secretary to advise us whether under this new clause a civil servant, if he were employed for 11 or 12 months, would be entitled to the full three weeks vacation in any one year, or whether, as it is at the present time, he would be entitled to leave for only six months. Is this the intention of the clause?

Mr. Bell (Carleton): I wonder whether my hon. friend's point is not covered by subclause 3 which reads:

> No employee shall be granted vacation leave unless he has been employed in the civil service for at least six months.

I do not know that I can give my hon. friend a detailed answer in relation to any particular civil servant or say that the civil servant who has been employed for 10 months and three days is going to have three weeks leave. I think there has to be some type of apportioning of it. I am personally not familiar with the regulations which have existed. I shall be glad to look into it. If my

hon. friend has any complaints in relation to it I shall certainly see that they are drawn to the attention of the commission and of the governor in council when the regulations are being studied and promulgated.

Mr. McIntosh: If the employee were employed for seven months would he be entitled to half a year's leave or any leave at all?

Mr. Bell (Carleton): I of course cannot speak of what the situation may be in the future. Perhaps I can get some advice as to what the situation would be at the present time. My understanding is that he does not earn leave in respect of the first six months of service. He starts to earn leave after he has completed the six months of service and it accumulates from that period on.

Mr. McIntosh: In the face of what it says in the existing act, I wonder whether the parliamentary secretary could give us the authority for his not getting leave during the first six months.

Mr. Bell (Carleton): My understanding is that there is a treasury board minute based on the recommendation of the civil service commission to that effect. I confess I have not myself seen that document and I would not wish to give any opinion in the House of Commons in respect to it until I had an opportunity personally to study it.

Mr. McIntosh: The parliamentary secretary would not give an opinion as to which is the more powerful, the act or the treasury board minute?

Mr. Bell (Carleton): I would have no doubt of that. As far as the act is concerned it will always govern and the treasury board minute will prevail only if it fails within the four corners of the act.

Clause 63 agreed to.

Clauses 64 to 67, inclusive, agreed to.

On clause 68—*Regulations.*

Mr. Howard: I shall skim through clause 68 quickly. Paragraph (o) provides that regulations may be made for the selection, appointment, conditions of employment and remuneration of employees performing duties of a casual, part-time or seasonal nature, notwithstanding anything in the act. Are these employees within the meaning of the definition of employees in the definition section persons employed in the civil service?

Mr. Bell (Carleton): Yes; my understanding is they are employed within the terms of the act but because of the very special nature of the employment, whether it be casual or seasonal, those special regulations do have to be set up, regulations of a type which would not be applicable to the year-round civil servant.

Mr. Howard: May I have the distinction that is drawn, if there is one, between a casual, part-time or seasonal employee and a prevailing rate employee? Is there a difference in that regard between a casual, part-time or seasonal employee and an employee on a prevailing rate?

Mr. Bell (Carleton): Yes, I am advised that there is a technical difference between a casual, part-time and seasonal employee that has been a well recognized one. I would be glad to send my hon. friend a memorandum setting forth in detail the distinctions that there are.

Mr. Howard: Are there distinctions between those people and prevailing rate people, or are they prevailing rate positions? I refer to the casual, part-time and seasonal employees.

Mr. Bell (Carleton): What we are speaking of here are positions which are established pursuant to the Civil Service Act for casual, part-time and seasonal workers. They have nothing to do with the prevailing rate establishment which, as my hon. friend, knows, is something which is under section 2(1)(b), which is entirely outside the terms of the act. This is for the casual, seasonal or part-time classifications established under the act itself.

Clause 68 agreed to.

Clauses 69 and 70 agreed to.

On clause 71—*Ministerial staffs.*

Mr. McIlraith: This clause deals with ministerial staffs and the part about which I have some remarks to make has to do with the appointment of executive assistants or private secretaries to a minister to the regular civil service after they have served three years as an executive assistant or private secretary to the minister. The provisions now governing this situation are found in section 61 of the present act and I will read part of section 61. Subsection 1 deals with ministers appointing private secretaries. Subsection 2 reads in part as follows:

> ...in the event of the minister or other member of the government, or leader of the opposition for whom he is acting as secretary, ceasing to be a minister or member of the government or to be the leader of the opposition, as the case may be, the said secretary shall thereupon be appointed to a permanent position—

And so on. The new clause corrects certain difficulties that were found to exist in the act as it now stands but it made one change with which I want to concern myself at the moment. There is no longer any requirement

that the secretary or executive assistant can only secure this right to be appointed to the regular civil service when the minister ceases to be a minister. It seems to me that provision should be continued in the new legislation. In my view the dropping of that limitation on the right of appointment was an error and can lead to a situation that will be demoralizing to the service without achieving any real purpose in meeting the needs of executive assistants and private secretaries. For that reason I want to put forward an amendment that will have effect of retaining the limitations in that respect in the new clause. I therefore move:

That paragraph 3 of clause 71 of the bill be amended by adding after the word "minister" in line 27 thereof the following:

"if the minister for whom he is acting as executive assistant or private secretary ceases to be a minister or becomes a minister of another portfolio."

It will be seen that this preserves the former limitation in that respect.

Mr. Bell (Carleton): In view of the hour I should like to say very briefly that I do not think there is anything I can add to what I said in the special committee and on second reading, and I hope that the committee will not adopt the amendment.

Amendment (Mr. McIlraith) negatived: Yeas, 10; nays, 46.

Clause 71 agreed to.

Clauses 72 to 85 inclusive agreed to.

Schedules A to C inclusive agreed to.

Preamble agreed to.

Title agreed to.

The Deputy Chairman: Shall I report the bill?

(Translation):

Mr. Parizeau: I have noticed that nothing in the bill before us gives the French Canadians the assurance of a proportionate representation at the higher level of the civil service.

It would have been desirable to insert a clause to this effect in the bill.

I therefore ask the parliamentary secretary (Mr. Bell) whether he could not take this opportunity to put into concrete form the sense of justice that has always been shown by the government, by writing a clause to that effect into an appropriate section of the bill.

(Text):

Bill reported.

Mr. Speaker: When shall the said bill be read the third time?

Some hon. Members: Now by leave.

Mr. Howard: Next sitting of the house.

Some hon. Members: Now.

Mr. Howard: I have been asked to request that it should be next sitting.

Mr. Bell (Carleton): Because of the importance of the bill I would hope that the hon. member would permit third reading tonight.

Mr. Howard: I promised some of my confreres that I would attempt to ensure that third reading would be on another day.

Mr. Speaker: Next sitting of the house. It being 10.30—

BUSINESS OF THE HOUSE

Mr. Pickersgill: Mr. Speaker, before you recognize the clock, I wonder if I could ask the Minister of National Health and Welfare—it is rather hard to find a minister in the house—what the government proposes we should go ahead with tomorrow and the rest of the week.

Mr. Monteith (Perth): Mr. Speaker, despite what the hon. member for Bonavista-Twillingate says, there seem to be several ministers in the house. The business for tomorrow will be estimates, the Department of Labour, the Department of National Health and Welfare, the Department of National Revenue, privy council and legislation.

Mr. Pickersgill: Will the estimates continue in that order for the rest of the week?

Mr. Monteith (Perth): That is the intention as of now.

Mr. Pickersgill: Is it intended to call the Civil Service Act for third reading as the first item tomorrow?

Mr. Monteith (Perth): I would expect so. I really cannot commit the government but I would expect that third reading would be the first item called tomorrow.

At 10.30 p.m. the house adjourned, without question put, pursuant to special order.

HOUSE OF COMMONS

Wednesday, September 20, 1961

The house met at 11 a.m.

NUCLEAR ENERGY

FURTHER STATEMENT ON FALL-OUT RESULTING FROM RECENT TESTS

Hon. J. W. Monteith (Minister of National Health and Welfare): Mr. Speaker, last week I gave the house first preliminary reports on the impact of Soviet nuclear tests as recorded by my department's network of air sampling stations. Final values have now been derived for the week ending September 10, and I would ask permission of the house to table a summary of these readings. I might mention that the highest level recorded in that period was 20 disintegrations per minute per cubic metre of air for Vancouver on September 9.

Yesterday afternoon we obtained first preliminary results on samples collected over last week end. These were from five of our air sampling stations in eastern Canada and show very sharp increases in fall-out levels. These results are as follows:

September 16-17:	
Fredericton	140 units
Ottawa	90 units
Montreal	80 units
Toronto	470 units
Windsor	200 units
September 17-18	
Fredericton	90 units
Windsor	260 units
Montreal	100 units
Toronto	215 units
Ottawa	75 units
September 19	
Toronto	460 units

In commenting on these figures I might point out that the reading of 470 units for Toronto on September 16-17 is the highest ever recorded by my department since the beginning of our air sampling program in August, 1959. The fact that these readings have been observed within a very short time following the reported testing indicates that the measured activity is largely composed of short-lived fission products. This will be determined in subsequent analyses.

In my previous statement on fall-out levels I referred to the maximum permissible level derived from the recommendations of the international commission on radiological protection. I would again like to emphasize that such figures are based on continued exposure at that level throughout a lifetime. Furthermore, the basic data provided refer to the long-lived component of a fission product mixture. As yet knowledge is incomplete concerning the significance of high levels of short-lived fission products. Such levels if maintained for a sufficient period of time might constitute a health hazard.

I would remind the house that the chief purpose of our air sampling program has always been to provide a method for the early detection of changes in the fall-out contamination of air all across Canada. We feel that more reliable information on the significance to health of fall-out can be obtained from other parts of my department's activities, such as the milk powder and bone sampling programs. In these programs we are concerned with the measurement of the specific components of fall-out which are likely to be of concern from the health viewpoint.

Such analyses are considerably more complex and are necessarily made on samples collected less frequently. It is too early yet to anticipate the levels which may be observed in this respect.

Hon. Paul Martin (Essex East): I think the house will agree that these reports of the Minister of National Health and Welfare are most important. It is desirable that he should make them and keep the Canadian people fully informed as to the readings of those various sampling stations which we now have in Canada.

It is clear that the increases are due to the recent Soviet union explosions. They cannot arise out of the tests made by the United States, because these latter explosions were in the laboratory and underground. It is therefore a matter of concern that the minister should report sharp increases in eastern stations. In one instance the testing showed the highest reading yet in the Canadian experience. The minister did not say whether these readings cover all the 13 explosions made by the Soviet union. Perhaps he will indicate at some time whether all the explosions of the Soviet union are covered by these recent tests.

The minister did not say so this morning in express terms, but in his statement last week he did say that while the explosions do show increased radioactive levels they do

not indicate any appreciable increase in the danger to human health. That may be so, but I think more and more we are becoming concerned as a result of the division of opinion among scientists particularly as to the genetic danger to human beings. Some of them say that it will not be possible to determine the danger to human health for many years to come. This should put all nations on notice with respect to the undesirability of continuing these tests, particularly in the form in which they are now being carried out by the Soviet union.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, speaking for this party I wish to thank the minister for giving the house this essential, sobering information and report. Surely, Mr. Speaker, it should impress us all with the need to work harder than ever for the abolition of testing by agreement pending the abolition of nuclear weapons.

Mr. Speaker: Has the minister leave to table the document referred to.

Some hon. Members: Agreed.

[*Later:*]

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, I should like to ask the Prime Minister a question arising out of the statement just made by the Minister of National Health and Welfare. In view of the Canadian initiative taken, I think it was at the assembly of the United Nations two years ago, for international measures and mechanisms to register radioactivity and fall-out, measures with which I believe all members of the United Nations have not yet co-operated, will the Prime Minister take steps to ensure that full publicity is given at the United Nations assembly to the information we received this morning, in the hope that this kind of publicity might be of assistance in bringing about measures to stop tests of the kind which are responsible for these alarming figures?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, in the normal course of events I would expect that the important statement made by the minister this morning will receive widespread dissemination. However, the suggestion of the Leader of the Opposition that it should be brought directly to the attention of the United Nations is one that has a strong appeal, and I shall immediately communicate with the Secretary of State for External Affairs in that regard. Certainly the continuance of testing in the atmosphere shows on the part of the U.S.S.R. such a flagrant disregard for humanity and its welfare that this information could be supporting evidence in that regard.

[Mr. Martin (Essex East).]

Hon. Paul Martin (Essex East): Mr. Speaker, I should like to direct a supplementary question to either the Prime Minister or the parliamentary secretary to the Secretary of State for External Affairs. Is either hon. gentleman in a position to say whether or not all nations in the United Nations are now co-operating in the world wide attempt to provide an adequate and accurate system of sampling radioactivity as a result of these explosions?

Mr. Diefenbaker: Mr. Speaker, that question is one of detail, of course, and I shall have to secure the necessary information.

STARRED QUESTIONS

GAS, OIL AND GREASE PURCHASES BY R.C.M.P., KITIMAT, B.C.

Question No. 468—**Mr. Howard:**

1. Since January 1, 1960, was any change made in the system of purchasing gasoline, oils, greases, etc., by the R.C.M.P. for its automobiles in Kitimat, B.C.; and, if such changes have taken place, could the Minister of Justice indicate what those changes are, and the reasons for so making them?
2. Is the Minister of Justice aware that I phoned his office about this matter on April 21, 1961, and was promised a report on the situation; and that I again phoned his office on June 5, 1961, and was again promised a report; and that I again phoned his office on June 13, 1961, with the same result?
3. Could the Minister of Justice indicate when I might expect a reply to my letter to him of June 22, 1961, wherein this question was dealt with?

Hon. E. D. Fulton (Minister of Justice): Mr. Speaker, the answer to part 1 is that the only change in the R.C.M. Police system since January 1, 1960, at Kitimat was that garages were added to the original list sometime between January 1, 1960 and January 5, 1961. Subsequently, after sufficient experience with the various garages, we retained the services of those which best met our requirements.

The answer to part 2 is that if there are reports that were to be made and have not been made I can only express regret, but it will be appreciated that such phone calls are routine administrative matters of which I have no personal knowledge.

The answer to part 3 is that I shall be glad to have a reply sent immediately. The reply, of course, will be to the effect of my answer to part 1.

MORICETOWN INDIAN RESERVE, B.C.—PAYMENT FOR LAND

Question No. 469—**Mr. Howard:**

Did the Indian affairs branch receive any money from the British Columbia government for land in the Moricetown Indian reserve which was used for highway No. 16; and, if so, what was the (a) total amount of money so received; (b) names of each individual member of the band, the amounts so received by them, and the area of the land for which such payments were made?

Mr. John Charlton (Parliamentary Secretary to the Minister of Citizenship and Immigration): Mr. Speaker, the answers to the questions are as follows:

Payment was received from the British Columbia department of highways for land required for highway No. 16 through Moricetown Indian reserve No. 1 and Coryatsaqua (Moricetown) Indian reserve No. 2.

(a) Total amount of money received, $1,250.50.

(b) No payments have been made to individual members of the band pending confirmation of individual entitlement.

COMMEMORATIVE STAMP, 175TH ANNIVERSARY OF COLLEGE FOUNDING

Question No. 470—**Mr. Carter:**

1. Have representations been made concerning the issuance of a special stamp commemorating, in 1964, the 175th anniversary of the founding of what is claimed to be the oldest established college where instruction is given in the English language in the British commonwealth and outside the British isles?
2. If so, what action, if any, has been taken?
3. Will the post office department accept suggestions as to the design of such a stamp?
4. If the stamp is issued, what denominations will be printed?
5. What would be the total number of stamps issued to commemorate such an occasion?

Hon. W. M. Hamilton (Postmaster General): Mr. Speaker, the answers to the above questions are as follows:

1. No.
2. Not applicable.
3. We are, of course, always happy to receive suggestions.
4. Commemorative stamps are issued normally in the 5 cent denomination.
5. Commemorative stamps are normally issued in quantities of 30 to 40 million.

PURCHASE OF SIRENS, ATTACK WARNING SYSTEM

Question No. 471—**Mr. Pitman:**

1. How much money has already been allotted to the purchase of sirens as a part of the national survival attack warning system?
2. How much money has been allotted to the purchase of sirens to the end of 1962?
3. How many cities have been provided with sirens?
4. In how many cities have the sirens been tested and found inadequate in the year 1961?
5. Have any tests been devised for testing the audibility of sirens inside various types of buildings at particular distances?
6. Have these tests been used? If so, when?

Mr. Egan Chambers (Parliamentary Secretary to the Minister of National Defence): Mr. Speaker, the answers to the several parts of this question are as follows:

1 and 2. A total of $950,500 has been allotted for the purchase of sirens to the end of 1962.

3. 88.
4. 4.
5. No.
6. Not applicable.

UNITED NATIONS

KATANGA—REPORTED ATTACK BY ORIENTAL PROVINCE FORCE

On the orders of the day:

Mr. Laurier Regnier (St. Boniface): Mr. Speaker, I should like to direct a question to the Prime Minister. In view of a radio report to the effect that Jean Gizenga, the communist trained leader of Oriental province, is leading an armed force against the province of Katanga, will the Prime Minister study the situation and, if warranted, make an appeal to the United Nations to protect the people of Katanga from violence and aggression?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, at the moment there is no indication that a force under Gizenga is being led against the province of Katanga. The United Nations has undertaken negotiations with Premier Tshombe with a view to a possible peaceful settlement. These discussions are going on in the war-torn Congo at the moment.

RED CHINA—CANADIAN ATTITUDE RESPECTING RECOGNITION

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): I wish to address a question to the Prime Minister. In view of New Zealand's request that the United Nations general assembly now in session debate the question of Chinese representation, and in view of the very general interest in this question on the part of a good number of Canadians, is the Prime Minister in a position to inform the house as to Canada's attitude to this question?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I had rather anticipated that such a question would come from someone, and I might very well have thought of the hon. gentleman in that regard. At the present session of the United Nations general assembly there will be included on the agenda for the first time an item on Chinese representation. The traditional "moratorium" resolution will not be proposed, and this means that there will be more thorough consideration given to the China issue than at any previous session. The change in approach to this question has come about as a result of the desire of a steadily growing number of member states for full consideration and examination of the substance of this problem.

The Canadian government regards this as an important matter which is not susceptible, however, to hasty solution. We attach particular importance to the right of the people of Taiwan to decide their own future, and the right of the government of Taiwan to be represented at the United Nations. These considerations will in part determine the attitude of the Canadian delegation during the discussion of this issue.

Hon. Paul Martin (Essex East): In view of the Prime Minister's reply I should like to ask a supplementary question. Has the position of the government of Canada changed from that stated by the Minister of Agriculture on May 16, when he is reported to have said "It would seem that the proper thing would have been to recognize the communist Chinese right after the revolution"?

Mr. Diefenbaker: Mr. Speaker, I am not going back to the month of May to review what was said. If I started to review the past I would review some of the statements made by the hon. gentleman on this question, and I would not want to do that on this very agreeable morning.

CANADIAN POSITION RESPECTING APPOINTMENT OF SECRETARY GENERAL

On the orders of the day:

Hon. Paul Martin (Essex East): May I ask the Prime Minister a question. Is he in a position now, on the occasion of the opening of the general assembly, to indicate what proposal the Canadian government has in mind and will make through its delegation at the United Nations regarding the office of secretary general?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, the hon. gentleman was kind enough to inform my office in advance that he would ask this question. As he knows, the filling of the vacancy is provided for in article 97 of the United Nations charter, which reads in part as follows:

> The secretariat shall comprise a secretary general... The secretary general shall be appointed by the general assembly upon the recommendation of the security council.

The procedure for filling the position either on an interim or permanent basis will be taken on the basis of that article. Talks are now going on among the delegations to find a solution. I think it would not be very helpful to go further than that at this time, except to say that the triple headed secretariat proposed by the Soviet union, which would be a self-cancelling body, is not acceptable to Canada. To set up such an organization in the form suggested by Mr. Gromyko yesterday would mean that nothing of a controversial nature or unacceptable to the U.S.S.R. would ever be decided.

This matter raised by the hon. gentleman is one that all of us hope will permit of agreement, because until this matter is decided the future of the United Nations will always be uncertain. I know that people all over the world are hoping that a solution will be found that is reasonable, just, fair and equitable.

TELEVISION

COVERAGE OF OPENING OF QUEBEC BUILDING IN PARIS

On the orders of the day:

Mr. M. J. A. Lambert (Parliamentary Secretary to the Minister of National Revenue): Mr. Speaker, on Monday the hon. member for Maisonneuve-Rosemont asked a question about the opening of "la maison du Québec à Paris". He asked whether the government has made provision to give television coverage to this historic Canadian event. I think the hon. member will agree that the government has not and does not control programming on television, but I am informed by the Canadian Broadcasting Corporation that radio and television coverage will be given in news programs of the three days of the opening celebrations. In addition, extended coverage will be given in the television program "Camera 61" on Saturday, October 7.

HOUSING

N.H.A.—REPORTED ENDING OF LOANS IN MINING TOWNS

On the orders of the day:

Mr. G. W. Baldwin (Peace River): Mr. Speaker, can the Minister of Public Works tell the house whether it is true that housing loans for new mining towns are ended, as is suggested in a heading in today's *Globe and Mail*?

Hon. D. J. Walker (Minister of Public Works): Mr. Speaker, the heading in the *Globe and Mail* is misleading, but I am sure it was inadvertent on the part of the caption writer. As a matter of fact housing loans have not been ended for new mining towns. Rather, more and more N.H.A. loans are being approved all the time. In the case of Thompson, which was inquired about yesterday, the government is approving literally hundreds of approved loans for housing for miners. Each project in any mining town, of course, must be judged on its merits. This government believes in the development of the north and the faster the better, but we do not wish it to be at

the expense of the miners. If the mining company wishes to build a townsite at its mine—

Some hon. Members: Order.

Mr. Speaker: Order. I think the minister will appreciate that his answer to the question is taking on the character of an address to the house.

Mr. Walker: Yes. I am glad to hear that, Mr. Speaker. However, I simply want to say that instead of the employee alone being on the covenant we want the mining company to guarantee the loan so that if there is any default and the mine does go out of business, it will not be the employee who will suffer but the mining company which employs him.

COMMONWEALTH RELATIONS

TRINIDAD—REPORTED REQUEST FOR GOVERNMENT AID IN HOUSING

On the orders of the day:

Mr. J. R. Garland (Nipissing): A recent press release across the country indicates that the government of Trinidad is seeking to obtain long term mortgage money in Canada to assist in easing the housing shortage in that country. Can the minister say whether the government is giving any assistance or considering giving any assistance to the government of Trinidad in this respect?

Hon. D. J. Walker (Minister of Public Works): Because of the applause for the last remarks, Mr. Speaker, I did not hear the hon. member.

Mr. Garland: I wondered if the government is giving any assistance or considering giving any assistance to the government of Trinidad in this regard.

Mr. Walker: Mr. Speaker, I have conferred with the minister of housing for Trinidad, a very cultured and enlightened gentleman with a great knowledge of housing, and the Prime Minister saw him this morning. We are doing everything we can by way of advice and co-operation, but any participation or financing in connection with the government of Trinidad would, of course, be a matter of government policy and would if it ever eventuated, be announced by the Prime Minister.

WEST INDIES—REQUEST FOR ASSISTANCE IN PRESERVING FEDERATION

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, perhaps this would be an opportune moment for me to ask a question I should like to put to the Prime Minister. In view of the vote yesterday in Jamaica, which I think all of us regret, would the government consider making its good offices available in any way possible with a view to preserving the rest of the West Indies federation; because I think it would be a disaster to the free world and particularly to Canada, with our close economic ties with that area, if this experiment in federation should fail.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I had rather anticipated, on the basis of the information I had and conversations during my visit to Jamaica in January, that the vote might have been otherwise. The suggestion on the part of the hon. gentleman is one that deserves to be examined rather closely. I have found that when people unrelated, except in a commonwealth way, take a course of action which might be construed as interference, even though it might be indirect and by way of suggestion, it is not always agreeably accepted. However, I will take note of the hon. gentleman's view.

Mr. Pickersgill: I think perhaps the Prime Minister misapprehended my question. I was not suggesting for one moment that we should interfere with the desire of the people of Jamaica to govern themselves as they please, but I think it will pose a problem for the rest of the federation. What I was suggesting was that our government should, in any way it could, extend its good offices for the preservation of the rest of the federation; because, notwithstanding Jamaica's withdrawal, it should be possible to preserve the rest of the federation and it would be in the interests of Canada, the commonwealth and the free world to do so if possible.

CIVIL DEFENCE

ALLEGED DISSATISFACTION OF ARMED FORCES WITH TRAINING PLAN

On the orders of the day:

Mr. J. S. Speakman (Wetaskiwin): I should like to ask the Minister of National Defence if he would care to comment on an article which appeared in this morning's *Gazette*. I should like, with permission, to read the first line:

> Reliable sources say the Canadian army is unhappy about the government's plan to train 100,000 militiamen this winter on six weeks civil defence courses.

I hope the minister's sources of information might be perhaps a little more reliable than those available to the writer.

Mr. Pickersgill: Is this a question?

Inquiries of the Ministry

Hon. D. S. Harkness (Minister of National Defence): Mr. Speaker, the allegation contained in the heading of this article, "The Army Unhappy over C.D. Training" is false. The contrary is the situation. The army is extremely anxious to secure the 100,000 trained men for use in the survival columns, and the militia part of the army is extremely glad to have this training going forward. I do not know what the "reliable sources" are, of course, but they are certainly very unreliable as far as some of the details given today are concerned, and indicate anything but a complete knowledge of what is projected and what is the situation.

In that connection there are one or two things in particular that I think I should set straight so there will be no misapprehension in connection with them. The most important of these is this statement that recruits will be enlisted with the lowest known army medical ratings. The article says:

> For instance recruits with hearing H-4 (fourth class—unable to hear the telephone) will be admitted. The army contends such men will be difficult to train.

This indicates a complete lack of knowledge of what the physical requirements are for this special militia training, and is completely wrong. Particularly, H-4 is not what is required, it is H-3. The pulhems profile which is required in this connection is 2-2-2-3-4-1-3. As far as recruitment in the regular army is concerned for people on base duties and for people employed with corps troops, the pulhems profile is lower than that, as a matter of fact, and a very large number of people in world war II and the Korean war enlisted with lower pulhems profiles than are required as far as the special militia training is concerned. For example, a gunner in the armoured corps in corps troops requires a pulhems profile, instead of the 2-2-2-3-4-1-3 I have mentioned, of 3-3-3-2-3-1-3. An armoured corps gunner employed on base duties requires a pulhems profile of 4-3-4-2-3-1-4.

As I say, this statement shows a lack of knowledge of what is required as far as physical standards are concerned, and also a lack of knowledge as far as requirements under the pulhems profile for regular enlistment are concerned, because the statement that the militia—

Mr. Speaker: Order. I am sure all hon. members are interested in what the minister has to say, but perhaps he might find a more appropriate time to deal with this matter in detail.

Hon. Paul Hellyer (Trinity): A supplementary question, Mr. Speaker, to the Minister of Labour. Will the minister say whether it is anticipated that the unemployment insurance fund will be relieved of the payment of approximately $20 million as a result of the recruitment program for this survival course?

Hon. Michael Starr (Minister of Labour): Mr. Speaker, that is a nonsensical question.

An hon. Member: Consider the source.

Mr. Hellyer: The minister says it is nonsensical. Perhaps he could give the house an indication of what the anticipated relief in the unemployment insurance fund will be, because this figure is used in an article in a responsible newspaper.

An hon. Member: The hon. member sounds like an H-4.

PRODUCTIVITY COUNCIL

INQUIRY AS TO NUMBER OF MEETINGS SINCE APPOINTMENT

On the orders of the day:

Mr. John R. Matheson (Leeds): Mr. Speaker, in the absence of the Minister of Trade and Commerce may I direct this question to the Minister of Labour. How many times has the productivity council met since its appointment on February 28, 1961? Has the government received any recommendations from the council? If so—

An hon. Member: Order paper.

Some hon. Members: Order.

Mr. Speaker: Order. Perhaps the hon. member is not as familiar with our rules as some hon. members who have been interrupting, but I think he should have sufficient opportunity to put his question, at least until the Chair interrupts him and has formed an opinion whether the question is in order or not. Will the hon. member proceed with his question?

Mr. Martin (Essex East): On a point of order, Mr. Speaker, may I suggest that the question is important because today we are going to discuss the estimates of the Department of Labour—

Mr. Speaker: Order. The hon. member is using his advocacy unnecessarily, because I have asked that the question be repeated.

Mr. Matheson: Mr. Speaker, the first part of my question was, how many times has the productivity council met since its appointment on February 28, 1961?

An hon. Member: Order for return.

Mr. Pearson: And get it next year.

EXTERNAL AFFAIRS

CUBA—FURTHER STATEMENT ON ALLEGED SUPPRESSION OF RELIGIOUS RIGHTS

On the orders of the day:

Mr. J. A. McGrath (St. John's East): Mr. Speaker, I have a question for the right hon. Prime Minister. Could the Prime Minister say whether he has any further report to make to the house with respect to the plight of Canadian priests and nuns in communist Cuba?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, the Canadian ambassador has received an expression of formal regret from the Cuban government regarding this incident. The ambassador has further reported that the Cuban authorities are disposed to take all appropriate measures to facilitate the return to Cuba as soon as possible, and at the expense of the Cuban government, of the nine Canadian missionaries deported in error to Spain. Formal assurances have been given regarding their safety and the protection of their personal property.

Hon. L. B. Pearson (Leader of the Opposition): A supplementary question. On this subject can the Prime Minister state whether any property owned by Canadian religious orders in Cuba has been confiscated? I think this matter was inquired into some time ago.

Mr. Diefenbaker: I have received no recent information.

CANADIAN NATIONAL RAILWAYS

STATEMENT ON REPORTED EXPERIMENTAL USE OF CONCRETE TIES

On the orders of the day:

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, yesterday the hon. member for Restigouche-Madawaska inquired regarding the reported experimental use of concrete ties by the Canadian National Railways. I have made inquiries of the management, who advise that limited tests are being made with concrete railway ties of a type made in Canada, and another type not produced in Canada. The test period will last from 5 to 10 years.

BUSINESS OF THE HOUSE

RAILWAY ACT—AMENDMENT RESPECTING MOVING EXPENSES OF EMPLOYEES

On the orders of the day:

Mr. John R. Matheson (Leeds): Mr. Speaker, may I address a question to the Minister of Transport. Does the minister contemplate introducing at this session any changes to the Railway Act in order to clarify the meaning of section 182, requiring a railway in certain circumstances to compensate employees for expenses involved in moving their residence?

Hon. Leon Balcer (Minister of Transport): The government has been dealing with the legislative committee of the brotherhood on this matter. The committee did not ask for a change in the act this session, but we discussed the possibility of the standing committee studying the question at the next session of parliament. The government intends to recommend to the committee a study of this matter.

(Translation):

BRIDGES

CHAMPLAIN BRIDGE, MONTREAL—CONSTRUCTION OF APPROACHES

On the orders of the day:

Mr. Gerard Loiselle (St. Ann): Mr. Speaker, I should like to ask the Minister of Transport a question.

Could the minister inform the house about further developments concerning additional approaches to the Champlain bridge?

Hon. Leon Balcer (Minister of Transport): Yes, Mr. Speaker. As reported in the press this morning, it has been decided to lay out a six-lane road for the approaches to the Champlain bridge. On the north side, that road will lead into St. Anthony and St. James streets. That way, I think we will be giving better service to the population of the metropolis and of the area, because it has been established by exhaustive surveys that at least 85 per cent of the cars and motor vehicles crossing Champlain bridge will be heading downtown.

Mr. Loiselle: Mr. Speaker, I have a further question. Could the minister tell us whether the road plan recently given in the press is now official?

Mr. Balcer: Yes, Mr. Speaker.

(Text):

NATIONAL DEFENCE

NUCLEAR WEAPONS—DISCUSSION BY PARLIAMENT OF USE BY CANADA

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): I should like to ask the Prime Minister a question arising out of reports of recent exchanges between Washington and Ottawa on the subject of the use by Canadian forces of nuclear weapons. Will the Prime Minister give the house an assurance that no

decision will be taken regarding the acquisition or use of nuclear weapons by Canadian forces without parliament first having an opportunity to discuss such a decision?

Right Hon. J. G. Diefenbaker (Prime Minister): I noticed the news reports in question. I do not intend to refer to any personal correspondence because, as the Leader of the Opposition knows, there is continuing communication of a personal nature between heads of government; each corresponds with the other on a confidential basis, knowing that his confidence will be respected.

Discussions with the United States on defence subjects are going on at all times and at various levels. I reiterate what has been made clear on a number of occasions, except to those who will not understand. No agreement has been arrived at between our countries with regard to nuclear weapons, and any rumour to the contrary has no foundation in fact.

The government has undertaken to increase Canada's conventional forces to assist in meeting the more serious international situation which now confronts us. As was made clear during the discussion of the defence estimates we have also equipment which will enable the use of defensive nuclear weapons should the government decide that these are required in the interests of the national security. I might add that in February, 1959, and on subsequent occasions in the house I discussed the principles of our policy in that regard.

The government does not wish any decision that it may take in this matter to impede in any way any substantial progress which may be possible in disarmament or limitation on the spread of nuclear weapons to the independent control of countries not already having them.

I might also add that in the next couple of days important proposals may be put before the United Nations by the United States, following discussions with the United Kingdom, Canada and other nations, which we hope will bring about a new attitude in the field of disarmament. This is something in which this government has taken a commanding lead, and progress in this direction still remains our desire.

The announcement of decisions of government policy on this important issue will be made in the house. I might also say this; that the government, when placing such decisions before the house, will, naturally, at all times afford an opportunity for discussion. However, and I emphasize this, in each of the instruments that we have, the Bomarc and the Voodoos, nuclear weapons could be used. The defensive requirements of Canada and the need for the preservation of security will be the overriding consideration in the mind of this government.

No decision has been made. When a decision is made the house will be clearly made aware thereof, as I emphasized a moment ago. Speculation which has been going on in the last few weeks is based on nothing more than the views of those who, desiring one final stand to be taken, are not taking into full regard the international situation nor in the event that it should worsen, the welfare, the future and the safety of Canadians.

Mr. Pearson: May I thank the Prime Minister for his answer to this vitally important question and ask him, as I did in my original question, whether before a decision of the kind he has mentioned is taken there will be an opportunity to discuss the matter in parliament.

Mr. Diefenbaker: If I did not misread the discussions on the estimates of the Minister of National Defence there is little more that can be said in this regard. The responsibility is one which the government must take having regard first and foremost to the welfare of the Canadian people. I must add, of course, that in any stand it takes the government must ask for the support of the house. That does not mean, however, that the decision would first be tentatively placed before the house. That would be a denial of responsible government and a denial of the principles which the hon. gentleman himself has so long advocated.

PARLIAMENT HILL

INQUIRY RESPECTING EXPLOSIONS DURING CONSTRUCTION OF TUNNEL

On the orders of the day:

Mr. Heward Grafftey (Brome-Missisquoi): I should like to ask the Minister of Public Works whether he can inform the house how long he expects the underground explosions to continue in connection with the tunnel being constructed between the house and the west block.

Hon. D. J. Walker (Minister of Public Works): When the contract was let and the time for the explosions was arranged, we did not anticipate that parliament would be in session in September. However, all members will be glad to know that the explosions will be completed by the end of next week, so that the part of the session which continues beyond that time will continue in peace and quiet. Only yesterday, in my office, someone

who served overseas with Colonel Churchill remarked, when an explosion took place, "Here is Churchill's armoured regiment".

SHIPPING

COMMUNICATIONS FROM U.K. RESPECTING CANADIAN SUBSIDY

On the orders of the day:

Right Hon. J. G. Diefenbaker (Prime Minister): On September 15 the hon. member for Leeds addressed two questions to the Secretary of State for External Affairs:

1. Has the government received two memoranda from the British government relating to the government's shipbuilding subsidy?
2. If so, what is the effect of such memoranda?

Some weeks after the Minister of Transport had announced in the house, on May 12, the government's new policy with regard to ship operating and shipbuilding, we received an aide memoire from the United Kingdom government commenting on this matter and asking a number of questions concerning the effect of the policy announced with regard to shipbuilding subsidies. This aide memoire has been answered.

VANCOUVER—INQUIRY AS TO SUBSIDY ON FIRE BOAT

On the orders of the day:

Mr. J. R. Taylor (Vancouver-Burrard): Mr. Speaker, I should like to direct a question to the Minister of Transport. Is the minister able to say whether the city of Vancouver will qualify for a subsidy in connection with the construction of a fire boat?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, no application has been received as yet in connection with such a fire boat. If a subsidy application is received by the Canadian maritime commission consideration will be given without loss of time, and a subsidy will be granted if the vessel to be constructed complies with the regulations.

TRADE

URANIUM—INQUIRY AS TO NEGOTIATIONS WITH UNITED KINGDOM

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, may I direct a question to the Acting Minister of Trade and Commerce, and inquire whether the Minister of Trade and Commerce, who now appears to be on the continent of Europe, will be in London shortly to discuss with the United Kingdom government the allocation of the uranium contract; and is he able to indicate the date the discussions will begin?

Hon. Gordon Churchill (Acting Minister of Trade and Commerce): Mr. Speaker, I expect that the Minister of Trade and Commerce will be doing just that, but I am not certain of the date.

INQUIRY FOR RETURN

CABINET MINISTERS' TRAVELLING EXPENSES

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I wonder whether the Secretary of State could give the house a progress report on the efforts he is making to expedite the return to an order of the house made last November relating to the travelling expenses of ministers?

(Translation):

Hon. Noel Dorion (Secretary of State): Mr. Speaker, the hon. member will realize that we have to go to several departments to gather the necessary information and documents. I am doing all I can to secure the required documents as soon as possible.

(Text):

INDUSTRY

USE OF SPECIAL FUND TO RETAIN CONTROL OF CANADIAN COMPANIES

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to direct a question to the Acting Minister of Finance in view of the rather evasive answer given by the Minister of Finance to a question I put to him on May 24, in which I asked:

Could the minister inform the house whether the government is giving consideration to the establishment of a fund which would be used when necessary to purchase shares in Canadian companies in order to prevent them coming under foreign control?

I ask the question again today, because there are again rumours circulating to the effect that the government is giving consideration to such a fund.

Mr. Speaker: Order. The question does not strike me as being one of immediacy simply because something might have appeared in the newspaper about it. It strikes me as being a question which might more properly be asked on the estimates of the department. Perhaps the hon. member could place his question on the order paper if he feels it should be answered.

CIVIL SERVICE ACT

Hon. Gordon Churchill (for the Minister of Finance) moved the third reading of Bill No. C-71, respecting the civil service of Canada.

Mr. J. T. Richard (Ottawa East): Mr. Speaker, the opposition will support this bill on third reading, for the reason that the Civil Service Act after 43 years was in need of revision, and no doubt in this bill there have been incorporated a number of changes that will bring the measure into conformity with modern practices that have developed in Canada in the intervening years. I wish to repeat what I said on second reading. This is not a new charter for the civil service, nor is it by any means a new deal for civil servants. This is the conception of the government and of the civil service commission.

One point that must be clearly stated at this stage before the bill passes is that the requests of the civil servants were not heeded in drafting this measure. Representatives of civil service associations appeared before the special committee and presented briefs and suggested amendments, but at no time were their suggestions accepted. Despite what has been said by the hon. member for Carleton, the hon. gentleman must realize that as far as the civil service associations are concerned they wasted their time in appearing before the special committee, because the government had a closed mind and the amendments advanced by the associations were rejected by the government majority on the committee.

These proposed amendments were repeated in the house by the hon. member for Hull, but were thrown out by the government one after the other. Those amendments represented the feelings of the employees of the government. They outlined the deal for which they were looking, and their requests fell on the deaf ears of this government.

The hon. member for Carleton on a few occasions admitted that the draftsmanship of this measure left something to be desired. I say with confidence that this measure will not survive for 43 years without amendment. Changes and amendments will have to be introduced from time to time because the faulty draftsmanship will come to light, and some portions of the measure will be found to be inoperative. There was no need to pass the bill in a hurry. An attempt should have been made to find better wording for use in some portions of the measure to satisfy the requests and requirements of the civil servants.

I repeat that this is not a new deal but merely a revision to bring the act into conformity with modern practice; that the requests of the civil service associations have been ignored, and that we on this side attempted on second reading to have the government consider the requests of employees of the civil service but met with no success. Surely some government some day will recognize the rights of civil servants to deal with their employer as do other employees in industry.

[Mr. Churchill.]

An hon. Member: Why did your government not do it over the 43 years?

Mr. Richard (Ottawa East): That is a good question, but it is a very poor defence coming from a government which revised this act without taking into consideration the requests of the civil servants. The Liberal government embarked upon this revision of the Civil Service Act several years ago. The Heeney report was the result of an investigation ordered by Mr. St. Laurent. If the recommendations of the associations had been followed we would have the form of bargaining which I sought to advance in my amendment to section 7.

I repeat that this is not a new deal. This is a vast disappointment to civil servants and those who are close to them. Again I warn that the measure will have to be revised frequently. An employer cannot have working for him a group of dissatisfied employees. The government, above all others, needs the support of its employees. We on this side will support this bill in its present inadequate form, and look forward to the time in the near future when we will be given the opportunity to introduce the necessary amendments.

Mr. Frank Howard (Skeena): Mr. Speaker, it is always interesting to see how a transfer from the seats of government to those of opposition serves as a stimulus to thought. We regret that bargaining rights are not included in the bill presently before us. It is a well known fact that this is one of the things which we have campaigned for and advocated all across Canada for many years. I think it is also a fact that no Liberal government in any province, or in Canada, ever gave any consideration to this matter or ever established the right of bargaining for employees in the public service of the provinces or of the dominion.

Mr. Speaker: Order. Before the hon. member proceeds I should say that, although I did not interrupt the hon. member who preceded him, who was in *pari delicto*, as the lawyers say, I should remind him that the subject matter of the debate is the contents of the bill, not what is not in the bill. While I appreciate that the hon. member is not going to take any length of time, I think I should draw his attention to that point.

Mr. Howard: First I would say that it is regrettable to us that the bill contains the provision it does in clause 7 with respect to

consultation. In this regard it is a failure. I think it is regrettable also that the bill contains provision for infringement upon political rights and activities of employees in the public service. We dealt with this at the committee stage by way of amendment, and it is not necessary at this time to go over these particular matters again. But basically, so far as consultation and the relationships between the various associations in the civil service and the government itself are concerned, I think the provision is not such as to allow for any large degree of self determination on the part of the civil servants themselves with respect to their wages, hours of work and working conditions. It seems to me they will not be able to find proper, fair and adequate solutions to their particular problems by attempting to channel them through the restrictive conduit of the civil service commission, and that is what is necessary.

Apparently it is too late to do anything now because we are at this stage of the bill, and the government has not acceded to these legitimate and proper requests for one of the basic rights, namely to bargain collectively. Apparently sometime in the future we shall find that this provision will be contained in the act. I hope we do not have to wait for that long period of time until the Liberals get back into office, if they ever do, before we reach that particular stage.

Mr. Richard A. Bell (Parliamentary Secretary to the Minister of Finance): Mr. Speaker, one of the most astonishing statements that I have ever heard uttered in this House of Commons was that by the hon. member for Ottawa East, when he said that the voice of the civil service was not heard, and that at no time were the representations and the suggestions of the staff associations accepted. He suggested that for their part it was a waste of time to have come before the special committee.

Well, sir, I say that the facts controvert every statement made by the hon. gentleman. The fact is that the members of the staff associations have expressed themselves in the warmest possible terms on the treatment accorded to them by the special committee of this house. This special committee was one of the best committees it has ever been my privilege to sit on in this House of Commons. It was presided over by a very distinguished chairman of great ability, the hon. member for Inverness-Richmond (Mr. MacLellan). Over a period of 26 or 27 sittings the committee gave the most detailed consideration to all the representations made.

What are the facts as to the attitude which the associations took after the hearings? I read from the letter of Miss Frances E. Goodspeed, president of the professional institute of the public service of Canada. This letter is dated June 27, 1961, and is addressed to the chairman of the committee. It reads as follows:

> Dear Mr. MacLellan:
>
> On behalf of my colleagues in the professional institute and myself may I express our appreciation of the opportunity which was afforded us to appear before your parliamentary committee on Bill C-71 and the careful consideration of our views on the subject matter of this bill by the committee.
>
> Members of the professional institute who attended the sessions of your committee were greatly impressed with the very thorough and searching review which was given every section of the bill. We are confident that your efforts will result in a new civil service act which will afford an opportunity to continue in the future the development in Canada of a public service which will give the utmost satisfaction to the public in the discharge of its duties, personal satisfaction to those who seek therein a challenging and useful career, and which will gain even greater regard abroad than it currently enjoys.

How does that language stack up with the language we have just heard from the hon. gentleman from Ottawa East? In a statement issued by the head of a staff association representing 80,000 civil servants, Mr. Whitehouse president of the civil service federation had this to say—

Mr. Howard: Mr. Speaker, it seems to me you admonished me for speaking about things which were not contained in the bill, and I acceded to your legitimate objection. I think perhaps the same rule should apply to the hon. member. He has not yet touched upon what is contained in the bill.

Mr. Speaker: The hon. member is correct in principle, but of course before I appreciated that the debate was going beyond the scope of what is in the bill, or at least before I took any exception to it, a good deal had been said which is now in the course of being answered. It would not be fair to limit the answer, other than to remind the hon. member for Carleton, who is a very good parliamentarian, that what he is replying to perhaps should not have been permitted in the first instance, though that does not mean he cannot reply to it. If I have done any injustice to the hon. member for Skeena I am sorry, but that has been the result.

Mr. Bell (Carleton): It appears that perhaps the hon. gentleman does not like this. I am sure the hon. member for Ottawa East would not like it. Mr. Whitehouse said this in his press release:

> It is apparent that the government in providing for compulsory consultation has moved a long way towards giving public servants a voice in determining their rates of pay and conditions of employment. This is especially true in view of the statements made by the Minister of Finance

in committee that it was expected that the provisions for consultation would evolve into a system modified to meet the needs of the Canadian civil service.

The statement went on:

> The civil service federation of Canada agrees to the foregoing with a view that experience will lead both sides to the evolution of a system of negotiation and arbitration in the shortest possible period of time.

At the same time the civil service association of Canada issued a statement. Unfortunately I do not have the full text of it in front of me at this moment, but I do have this, which I will quote:

> There can be no doubt that the amended clauses represent improvement over the original forms of clauses 7 and 10.

The statement went on to express a preference for spelling out in the legislation the exact procedures on consultation and the results to flow therefrom. Then it ended in this way:

> The civil service association of Canada will do everything possible to assist in working out proper machinery under the act. We will certainly do everything possible to contribute to an atmosphere of mutual trust and confidence in the period when such machinery is being developed.

I ask you, Mr. Speaker; does this type of language from all the major staff associations seem to indicate what the hon. gentleman from Ottawa East suggested, namely that the voice of the civil service was not heard? I say, sir, the voice of the civil service was heard. There was an opportunity over 26 or 27 meetings to consider in detail the amendments which were proposed by the staff associations, many of which were adopted by the special committee and last night were adopted in the committee of the whole.

I am sorry that in its final stages a partisan turn should have been given to the debate. I believe that in its day and age the 1918 Civil Service Act was a model of employer-employee relations. It established on a firm basis the merit system, a system which has given Canada a civil service of which every member of this house is proud. I believe that within the new 1961 Civil Service Act we have created a framework which will equally be a model in the future in the development of employer-employee relations. I believe it will stand as an example of the merit system which we in Canada will be able to say is not exceeded by any country in the world.

The Acting Speaker (Mr. Chown): Is the house ready for the question?

Some hon. Members: Question.

The Acting Speaker (Mr. Chown): Is it the pleasure of the house to adopt the motion?

Mr. Churchill: Will you call the yeas and nays, Mr. Speaker, please?

[Mr. Bell (Carleton).]

The Acting Speaker (Mr. Chown): Those in favour of the said motion will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Chown): Those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Chown): In my opinion the yeas have it.

And more than five members having risen:

The Acting Speaker (Mr. Chown): Call in the members.

Mr. Pickersgill: More time wasting.

The house divided on the motion (Mr. Churchill, for Mr. Fleming, Eglinton) which was agreed to on the following division:

YEAS

Messrs:

Aitken, Miss
Allmark
Badanai
Balcer
Baldwin
Baskin
Beech
Bell (Carleton)
Bell (Saint John-Albert)
Belzile
Bissonnette
Bourbonnais
Browne (Vancouver-Kingsway)
Bruchesi
Cadieu
Campbell (Stormont)
Cardiff
Carter
Cathers
Chambers
Charlton
Churchill
Clancy
Comtois
Cooper
Crouse
Danforth
Deschatelets
Diefenbaker
Dinsdale
Dorion
Drouin
Drysdale
Dubois
Dumas
English
Eudes
Fairfield
Fane
Flemming (Royal)
Forbes
Forgie
Fournier
Frechette
Garland
Gillet
Grafftey
Granger
Grills
Gundlock
Halpenny
Hamilton (Notre Dame de Grace)
Hamilton (Qu'Appelle)
Hamilton (York West)
Harkness
Hellyer
Henderson
Herridge
Horner (Acadia)
Horner (The Battlefords)
Howard
Jones
Jung
Kennedy
Kindt
Korchinski
Kucherepa
Lafreniere
LaMarsh, Miss
Lambert
Latour
Leduc
Lennard
Loiselle
Macdonald, Mrs.
Macdonnell
MacEwan
Macquarrie
McBain
McDonald (Hamilton South)
McFarlane
McGrath
McIlraith
McLennan
McMillan
McQuillan
McWilliam
Maloney
Martin (Essex East)
Martin (Timmins)
Martineau
Matheson
Matthews
Meunier
Milligan
Mitchell
Monteith (Perth)
Monteith (Verdun)
More

Morissette	Robinson
Morris	Rogers
Muir (Cape Breton North and Victoria)	Rompre
	Sevigny
Muir (Lisgar)	Skoreyko
Murphy	Slogan
Nasserden	Small
Nesbitt	Smith (Lincoln)
Nielsen	Southam
Nixon	Speakman
Noble	Spencer
Nugent	Starr
O'Hurley	Stinson
O'Leary	Tardif
Pallett	Tassé
Parizeau	Taylor
Pascoe	Thomas
Paul	Thompson
Payne	Thrasher
Pearson	Tremblay
Phillips	Tucker
Pickersgill	Villeneuve
Pratt	Walker
Rapp	Webb
Regier	Webster
Regnier	Weichel
Ricard	White
Richard (Kamouraska)	Winkler—155.
Richard (Ottawa East)	

NAYS

Nil.

Bill read the third time and passed.

BUSINESS OF THE HOUSE

SPORTS—AMENDMENT OF WORDING OF RESOLUTION

Hon. J. W. Monteith (Minister of National Health and Welfare): Mr. Speaker, may I ask the house for unanimous consent to remove item No. 8 from today's order paper for the purpose of making a slight change in the wording. The purpose is to change the words in the second line of the resolution "physical fitness through" to "fitness and". The new resolution would read "fitness and amateur sport" rather than "physical fitness through amateur sport", and then the word "physical" in the sixth and seventh lines would be deleted.

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I do not think there is any objection to this, and I doubt whether it is necessary for the minister to go through the formality of withdrawing the motion. The corrections are purely mechanical, and it seems to me they could be made and the resolution could be left on the order paper.

The Acting Speaker (Mr. Chown): Does the house give unanimous consent to the suggestion made by the minister?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Chown): The house gives unanimous consent to amending the resolution?

Some hon. Members: Agreed.

SUPPLY

The house in committee of supply, Mr. Chown in the chair.

DEPARTMENT OF LABOUR

General administration—

178. Departmental administration including a grant of $10,000 to Frontier college and the expenses of the international labour conferences, $1,373,104.

Mr. Martin (Essex East): Mr. Chairman, the minister made a statement in the two days that were taken up on these estimates before the adjournment. An examination of that statement, however, will reveal that the minister did little more than give us an account of the department's general activities. In no real sense did the minister address himself to what undoubtedly is the major domestic problem in Canada at this time; that is, the continuing problem of unemployment, a problem which in our opinion this government has not resolutely and forthrightly confronted.

Yesterday the departments concerned released the latest available figures, which were for the month of August, showing that as of that month 323,000 persons were unemployed. This represented a drop of some 31,000 from the corresponding period in the previous year. Nevertheless, not much satisfaction can be taken from this figure in spite of its improvement. It is also noteworthy that the labour force decreased by 39,000. It is significant that while unemployment dropped by 31,000 to 323,000 between July and August, unemployment nevertheless continues to be higher in Canada than in any other country of the western world. As long as there are these numbers of people out of work, with all that unemployment means, this government and all of us have a responsibility to try and correct this situation.

It is significant that while unemployment in August was below the total for the previous year, it represented 4.8 per cent of the labour force. That figure should give no one cause to gloat. The release, for instance—just to take a reference here and there—indicates that employment in Quebec decreased by 17,000 between July and August, which is somewhat more than usual even for this period. We see that in the Atlantic region employment declined by an estimated 12,000. Therefore when we compare these figures with countries that provide a basis for comparison, in this regard we continue to confront a problem that is of the greatest magnitude.

We must not forget that this is tradition ally not the slack period. We must not forget that in March of this year we had, on the

basis of the standard provided by the administration, 705,000 people out of work. It is important to note that the present standard of measurement does not take into account all those who are disengaged or who are out of work. It does not include people who work for less than 33 hours a week. Therefore I say that when we refer to our unemployment figures on the basis of these standards we should not think we have covered all those who are out of work.

When we think that Great Britain had to hire 500 Canadian men to assist in a supermarket project in that country, that is not something which should warrant our feeling that we are seriously coping with this problem. It should not give us any satisfaction to realize that on the basis of the report provided by the New York *Times* the rate of unemployment in Canada as of March was 11.1 per cent of the work force. In Australia, according to that survey, it was 3.4 per cent; in France, 3 per cent; in Germany, less than 1 per cent; in Great Britain, 1.6 per cent; in Israel, 7 per cent; in Italy, 5.4 per cent; in Japan, 1.1 per cent; in South Africa, 1.9 per cent; in Sweden, 1.7 per cent, and in the United States, 6.8 per cent.

In the face of all this I repeat that the government cannot, by its proper emphasis on other problems of a domestic and international character, seek to impress us that this is not a continuing, serious problem, because it is. Since this government came into power this country has experienced excessive unemployment, as we know. In 1958 some 7.1 per cent of our work force was out of work. In 1959 the figure was 6 per cent, and in 1960 it was 7 per cent. Moreover, we know that at one point this year almost 12 per cent of the work force of Canada was out of work. During the current year unemployment has never fallen below 6 per cent of the labour force after allowing for seasonal factors. These excessive levels of avoidable unemployment sap the vitality of our nation, deprive us forever of the wealth and products which could have been produced at full employment levels and, more important, have a devastating impact on the personal lives of the unemployed.

We have also at our disposal the various studies which were provided by the other place, studies which could have been provided by the House of Commons if we had had a willing administration which wanted to recognize that we had a responsibility in this elected chamber. Nevertheless, the excellent manpower study conducted by the Senate last year estimates that one million additional jobs will be needed by 1965 in order to accommodate the estimated growth in our labour force and get the rate of unemployment down to a reasonable proportion. Therefore it will not be sufficient for the government to claim month after month that more Canadians are working than ever before.

A significant fact is that unless the government takes action, more Canadians than ever before will be unsuccessful in obtaining work. It is suggested that 3 per cent of our labour force is the maximum rate of unemployment that we can permit. Our objective, of course, should be to see to it that all Canadians are at work. That is the objective of the Liberal party in the program which has been stated in this house and which I propose, before I resume my seat, to repeat. That program, if implemented by this government, would provide a solution to this problem, as no other proposals put forward by this government or by any other political group are capable of doing.

In the Canadian economy long term unemployment, that is unemployment extending for more than 15 weeks during the year, is tending upward at a discouraging rate. My examination of the unemployment figures shows, for instance, that on the basis of the information presented yesterday, in August of this year 117,000 of the unemployed have been seeking work for over four months. This represents more than one third of the total number of unemployed in Canada, and 16,000 more than the unemployed in this particular category in August of 1960.

A long period of unsuccessful job seeking represents a real crisis in the personal life of an individual and an irrecoverable loss, both to himself and to the economy, of his productive capacity which goes unused during that time. The available statistics actually underestimate the amount of long term unemployment, for the labour force survey gives us only a snapshot at one point in time of those who have been continuously unemployed for a long period. However, a high proportion of those who have been out of work for 15 weeks of the year have more than one spell of unemployment per year, so they would not show up as having been unemployed for over three months on any given survey date.

We cannot blame the growth in the labour force, as the minister is apt to do, for this phenomenon, for the fastest growing components in the labour force are women and young men who do not suffer from unemployment. Growth in long term unemployment is due to basic changes in the structure of the economy, a decline in agriculture, in the extractive industries, railroads and so on. Workers in specific geographic areas have been victims of plant shutdowns or relocations. Many factors contribute to an excess of supply over demand for labour for long periods in distressed areas, factors such as the immobility of

labour, about which I shall have something more to say when I discuss the question of distressed areas.

What about this government's program for assisting distressed areas, by the way? What are the latest figures as to the number of areas that have been designated for assistance under this government's anaemic program deriving from the announcement made by the Minister of Finance last December of the government's plan to allow double depreciation; this program which has become, in the judgment of all responsible persons, a farce? It has, of course always been difficult to conceive how a program which provided for depreciation allowance in respect of one year only could be capable of meeting the serious problem which confronts us.

Even if we had full employment at the national level the minister recognizes, I am sure, that automation and the immobility of labour would leave us with pockets of high unemployment. Such is the character of our economy as it has taken on its present form, particularly during the past three or four years. The inability of the government to promote measures to ensure full employment at the national level has tended to aggravate the problem of regional unemployment. Many people living in areas of high unemployment lack a gainful livelihood for prolonged periods. The loss of income at the personal level results in the community being unable to provide even essential services.

Coupled with this deficiency, the problem of providing welfare for the unemployed in turn becomes impossible. The federal government is not seeking to overcome this problem. It comes forward with assistance to small business; it comes forward with a program of vocational training and so on, but all these things are of long term consequence. What the government fails to produce is a crash program, something which would provide immediate relief for the thousands who are still out of work. Failing such action, according to the advisory committee of the unemployment insurance commission, unemployment this coming winter will reach proportions similar to the figures of the past winter. Should this be the case the government has no excuse now, after the experience of three years, for failing to come forward with a crash program, as well as its long term program, to meet the situation.

To overcome this problem the federal government must aid in regional planning and supplement the financial capacity of the various regions to implement a region wide plan by means of federal grants and credits so the unemployed will have jobs to move to and, what is more important, by means of tax incentives promote the location of industry in distressed areas.

I have a great deal to say on these estimates, and under our procedure it will not be possible for me to say all I have to say at this time. However, I propose to deal with a number of matters before these estimates are passed. I wish particularly to deal with the manner in which this government has escaped its responsibility in connection with the amendments to the Unemployment Insurance Act. I wish to deal with the contemptuous way it has treated parliament in deciding to establish a royal commission to assume the responsibility which, in the month of January, this government said it was going to assume by bringing forward a bill during the present session of parliament. But I shall say more on that subject later on.

Mr. Starr: The hon. member for Essex East has mentioned that the rules governing this committee will not permit him to carry on beyond a limited time. May I say it would be very acceptable to us if the hon. member were to be allowed unlimited time in this regard.

Mr. Martin (Essex East): The minister is indeed very generous, and I thank him.

The Deputy Chairman: Does the committee give the hon. gentleman unanimous consent to continue—

Mr. Martin (Essex East): May I point out that my time has not expired yet. I have been speaking for only 15 minutes.

The Deputy Chairman: Does the committee give unanimous consent for the hon. gentleman to continue for an unlimited period if that will afford greater continuity to his remarks?

Some hon. Members: Agreed.

Mr. Martin (Essex East): The minister is among those who take the position that all we do is criticize the government, and then the minister asks what we would do. That reply frequently is echoed in certain newspapers in our country. The suggestion is that all the Liberals do is criticize, that we never put forward a positive program.

The fact is that we have repeatedly in this chamber put forward our ideas as to how this problem can be met. I am going to repeat that program today so the country will know that not only have we indicted the government for its failure to deal with this problem, but at the same time we have a positive approach to the solution of the problem. Our solution is predicated on the belief that the freedom and integrity of our society depend on our being able to minimize the severity

of all that is involved in a high level of unemployment. Let us examine what we would propose to do.

1. We would first of all transfer the responsibility for unemployment from the Department of Labour to the government as a whole. That in no way is a reflection on the minister himself. We maintain that the Department of Labour as presently constituted is not in a position adequately to deal with this problem.

2. We would establish a national advisory council to deal with the problems of economic development, automation and employment.

3. We would reassess federal agencies concerned with unemployment for the purpose of greatly extending their job finding function, of helping willing potential workers to find jobs outside of labour surplus areas, of intensifying vocational training programs. I shall have something to say about the vocational training program of the government later on. At first glance the program of the government may appear sound, but it is not providing results of the type which it was intended to provide, as I shall show particularly when I examine the situation in certain Canadian communities with regard to unskilled workers.

4. We would integrate a flexible monetary policy with a fiscal policy suitable to the promotion of growth. In passing I should like to say that the government at long last has accepted the position we have taken with regard to its responsibility in the matter of monetary policy. The statement of the present governor of the Bank of Canada and that of the present Minister of Finance reflects what we have been contending all along. If this government had recognized earlier its responsibility in that regard, it is highly likely that the problem of unemployment would not be as severe as it has been and continues to be.

5. We would balance the budget at full employment levels giving tax rebates during periods of recession and refunding the public debt during periods of expansion.

6. We would introduce tax measures that would provide exemptions to encourage enterprise and increase private investment which, by the way, has drastically fallen since 1960. We would provide exemptions of a type that would encourage industry to locate in depressed areas. We would provide such policies as would encourage an improvement in our export position. We would provide a real accelerated depreciation program, one that would be a real encouragement to industry, not the kind of anaemic program presented by the Minister of Finance, jointly administered by the Minister of Trade and Commerce and the Minister of Labour; a program which I venture to suggest will, by the revelation of the latest figures, prove to be absolutely ineffective in providing substantial employment in Canada. I would be surprised today if the Minister of Labour could point to one instance of an individual being employed in Canada as a result of the double depreciation program.

[Mr. Martin (Essex East).]

We would provide encouragement, then, through an accelerated depreciation program, through depletion allowances, through special treatment of retained earnings that are actually invested, and through lower corporate taxes on increased export activities. These are the things which must be resorted to if we are going to stimulate our economy and provide the level of employment which our people expect and which this government in 1957 and 1958 assured the Canadian people it would effect.

7. We would modify the present winter works program. We believe that the federal government should pay a higher percentage of the total cost and not just part of the labour costs on municipal projects. We believe that federal assistance should be given on a sliding scale measured in terms of the gravity of the local unemployment situation.

8. As we indicated at our convention last January, we would establish a municipal loan fund to enable local governments to participate in intergovernment make-work schemes. This would have a special meaning for such areas as the Atlantic provinces. We would provide a shelf of public works to be implemented at the local level, federal assistance being conditional on implementation of projects during the periods of high unemployment. We recognize that while much can be done in this particular there are limitations that attend such a program.

Mr. Chairman, may I call it one o'clock?

At one o'clock the committee took recess.

AFTER RECESS

The committee resumed at 2.30 p.m.

Mr. Martin (Essex East): Mr. Chairman, to continue the program of the Liberal party, as a means of dealing with this major program, No. 10, we would provide for massive vocational and retraining programs to up-date the skills of the labour force, similar to what was accomplished during the war. Supplementary benefits paid to those willing to undergo instruction training should be provided.

No. 11, we would provide for increased public investment. Not merely would we divert investment from private sectors to the public sectors, but we would provide increased public investment itself.

Additional expenditures on central public services, hospitals and the like, provide an avenue of assistance that would help to stimulate the economy. This was noted by the mayors and municipalities of Canada at the recent meeting of the Canadian federation when it was observed that in every community across Canada there exists a great and growing backlog of essential community requirements of which the most urgent are housing, hospitals, schools, recreational facilities, renewal of blighted areas in the central core of our cities, civic centres, streets, highways, bridges and public transit to facilitate movement in our rapidly growing cities; underground service for water supply and food disposal.

In addition, we would provide assistance to secondary industry. Secondary manufacturing industries must play an increasingly important role in providing both uprising employment and income. Healthy expansion of these industries calls for special measures to increase both their markets at home and abroad. Tax measures should be used to encourage our domestic manufacturing industries to expand their exports, and incentives should take various forms such as reduction in the tax on the earnings of business, where there follows an increase of export sales. I made mention of this earlier but I have dealt with it a little more particularly now.

There must be stimulation of our export industry. The new Liberal government would take the initiative in actively pursuing, with other members of the organization of economic co-operation and development, all possible methods of freeing trade and expanding employment in the Atlantic area.

We ought to provide for more flexible forms of credit for industry and consumers. There is need for improvement in our financial machinery, in order to increase the availability of capital for the establishment, expansion and development of industries. We would see to it that adequate credit is available for the growth of industry. We recognize that there are special responsibilities of the federal government toward certain areas in Canada. I have mentioned distressed areas, but with special mention, I should like to note the assistance that we believe should be provided now for the Atlantic region. We believe that there should be measures to encourage the expansion of industry and employment in the Atlantic provinces. We have set forth in the resolutions of the January convention the details of this objective.

All the economic policies of a Liberal government, Mr. Chairman, would be directed toward recreating an environment in which Canadians can work, save and invest with confidence in the growth of the country and its stability. It will be said, as it has been said, that when in opposition we take a bold and forthright position. The fact is that when we were in office, notwithstanding what hon. gentlemen may say, we did provide the highest level of employment that this country has ever enjoyed. At no time during the period when we were able to resuscitate ourselves from the consequences of the 1930-35 depression did unemployment ever reach anything over 3 per cent of the total work force. Hon. gentlemen may trot out figures for this particular year or that particular month, but the record is there for everyone to examine. No one will be able to contend that there was any period, during the time when we were in office, that is comparable with the situation now confronting us. But even if there was, that does not absolve this government from its responsibility in the face of this serious problem.

This problem is one that must be resolved if we are going to preserve, as I said a moment ago, the integrity and character of our free society. There are many things that the government can do now. Over four and a half months ago we had presented to us the Bladen commission report, a commission appointed by the government to examine into the state of the automobile industry, but we have not had any indication from the government whatsoever of its intention to implement that report. It is true that the assistance that was given by a reduction in the excise tax was a recommendation of the commission. This reduction had been urged in the house, and hon. gentlemen who refer to that as an acceptance of the Bladen report will find themselves not fully demonstrating that they have exhausted their reading of that report. Why should there be this delay in examining and accepting either in whole or in part the proposals made by that royal commission with regard to a very vital industry in our country or providing alternatives to those proposals?

True, the government brought forward legislation last fall to provide for vocational training. We were told, as I have reminded the house on a number of occasions, that the chairman of the unemployment insurance commission said that only one in ten of the unemployed in our country possesses a skill that would enable him to assume a particular job there available. That is a serious situation. True, the government brought forward an amendment to the vocational training act. We pointed out at that time that those provisions were not generous enough to meet the problem, and I have before me pretty strong supporting evidence of the grounds that we took at that time.

I understand, for instance, that in the city of Toronto alone there was recently produced a figure of 2,642 unemployed Toronto men and women who were barred from participating in the retraining program set up for them. That figure represents 70 per cent of the applicants for retraining. I say that a scheme which overlooks 70 per cent of the applicants is obviously inadequate. One might well say, what kind of a program is it that turns down three quarters of the jobless people it is intended to help?

The real reason for this, of course, is that the vocational training courses being offered under the combined federal-provincial assistance program require grade 10 qualifications and most of the applicants in this figure of 2,642 do not possess a grade 10 certificate. There is an obvious remedy for this situation and that is to offer academic subjects in the program. We want to provide education to men and women so that they can be fit to take on jobs that are available to them. We should now recognize that the vocational training act must be amended to provide this recognition of the need of training persons with education below grade 10 level, so that they can have the necessary academic background to take added training and in turn to provide them with the kinds of skills essential at this time.

These are just two of the things I mention to indicate that the government is really not meeting this problem head on. The government as a whole has not engaged in a process of planned effort. I do not mean planned effort in the sense in which that term is used by those who would build up a state octopus. I do not believe in the planning to which some totalitarian countries of communist or other types have resorted to, but the kind of planning necessary at this time, if we are going to have a successful confrontation of this problem. These two isolated cases demonstrate how the government has not engaged in a process of planned programming to try to meet the problem. That is why we find ourselves face to face almost every day with evidence which shows the lack of a dynamic and complete approach by the government to this whole problem.

On these estimates there is one other matter which I have foreshadowed and about which I would like to say something. We were told by the Minister of Labour on May 9 last that a carefully thought out program of amendments to the Unemployment Insurance Act would be brought before parliament this session. We were told that the government had made a study of the report of the advisory committee of the unemployment insurance commission and that as a result of the government's study of that report it had come to the conclusion that the problem facing the authorities could not be met simply by appropriating money to meet the payments which would be required to bolster the fund. The important thing is that the minister told us that the program would be brought down in parliament during the course of the session in which we were then, as now, engaged.

This intention was referred to, of course, by the government in the speech from the throne, in the month of January, when the government announced that legislation would be brought forward at this session to provide amendments to the Unemployment Insurance Act to deal with substantive features of the act as well as to provide for the kind of economic cushioning, necessary because of the perilous financial state into which the fund had been plunged. We were told, as I say, about the government's intention in the month of January. It was confirmed during a speech made by the Minister of Labour in this house on May 9 and confirmation of the government's intention was repeatedly given by responses to questions put by members of the Liberal opposition during the course of the present session of parliament. About two days before we adjourned in July I asked the government when it was going to bring down these amendments to the Unemployment Insurance Act. The Minister of Labour told us that that matter was still under study. The implication was clear, that when we resumed we would have before us the amendments to the Unemployment Insurance Act and that we, in this house, would give consideration to those amendments.

A little more than a week after we adjourned in July an announcement was made in the press, I think it was on July 25, that the government had appointed a royal commission. The Prime Minister did not use the words "royal commission", but he said they had appointed a committee. This committee was to go into the whole question of the proposed amendments to the Unemployment Insurance Act. The Prime Minister mentioned in his statement the financial state of the fund, thereby indicating that this committee would also examine into that problem. I say, Mr. Chairman, this is not the first time this government has resorted to this particular device, leading the house to believe in the dying days of the session that it was going to carry forward with its program announced in the speech from the throne and then the moment we were out of this chamber, no longer face to face with the Minister of Labour, the government announces a device by which it hopes to remove from this

house not only the responsibility for formulating a policy but for discussing the measure prior to the formulation of that policy. This act was an act that can only be branded as one that holds parliament in contempt.

This was not the first time this had been done. We will all remember that just before parliament adjourned in the summer of 1960, I asked the Minister of Labour to table the latest report of the advisory committee of the unemployment insurance commission. He said it was not available and within a few hours of our adjourning, in a manner that defied our examining the report, the report was placed on the table through the Clerk. We had prorogued, as a matter of fact, before we learned the contents of that report. Parliament was denied, then, the opportunity of discussing the terms of that report, just as we are now being denied the opportunity of knowing what the government's policy is with regard to amendments to the Unemployment Insurance Act.

The government said it had a policy in January. It told us the same thing on May 9 and yet, within a few days of our leaving this house it announced that instead of the policy being formulated by the government, it was going to appoint a royal commission to examine into the whole state of the unemployment insurance fund, to provide suggestions for amendments to the Unemployment Insurance Act. I say, Mr. Chairman, that act on the part of the government is one that shows the government's contemptuous regard for this parliament. We should in this session be dealing with the unemployment insurance amendments. We should not leave this subject to gentlemen outside of this house. This is our responsibility. The government said it was our responsibility in January. What has intervened in the meantime to cause the government to change its position?

Is it because the government has not the courage to face the issues that will be projected as a result of gaps that exist in the Unemployment Insurance Act? This is not the first time, as I say, that the government has resorted to this device. I regret that the Minister of Labour should be the tool of the government in this devious practice of not recognizing the pre-emptive right of parliament in these matters. Of course, this device of this government, the appointment of royal commissions, is not new. In the course of three and a half years this government has appointed 14 royal commissions to assume responsibilities which the present Prime Minister said, when he was in opposition, were those which should be borne by the government as a whole. These are devices which fool no one. These are devices to enable the government to escape its responsibilities, to enable it to say to the Canadian people, "Oh well, we could not bring forward a definite policy with regard to this matter for the simple reason that matter is now being studied by a royal commission."

You know, a royal commission is sacrosanct. It is difficult to discuss a subject that is before a royal commission. It is argued here that this government, by the use of this device of appointing royal commissions, has not removed from us in this house the responsibility of examining these matters. We have before us the latest report of the advisory committee of the unemployment insurance fund. I would be interested in knowing how many members have read this report. Those who have read it will come to the conclusion, that it is most regrettable we are denied the opportunity of examining the unemployment insurance amendments and considering the government's policy for replenishing the fund. The fund has reached a perilous state. The unemployment insurance fund will be down to its last penny by early 1962, so the committee points out, unless the government replenishes the fund in some way. The committee points out that with another winter of high unemployment the fund may be expected to be empty entirely by next May. It points out that the balance in the fund has been skidding for three years. It was $184,685,000 on March 31, about half what it was the year previous, and this in the face of the fact the fund in 1956 stood at $962,726,930. The latest published figure, since the fund year ended on March 31, shows that at the end of July the balance was $120,771,909. The committee goes on to advise the government that it should make special grants to the fund from which unemployment insurance benefits might be paid in order to carry the fund over until the precarious state of the fund can be corrected by amendments to the Unemployment Insurance Act.

Is it because of this report that this government has taken steps to deny us the opportunity of examining into something about which this government said in January, 1961, it had a definite policy. When we think, Mr. Chairman, that during the whole 20 years of this fund $3.25 billion have been paid out in unemployment insurance benefits, when we realize that in 1942 only $37 million was paid in benefits and that by 1958 the benefit total had reached $492.9 million, we see perhaps some of the provocation for the devious course the government is following in this matter through the appointment of a royal commission and its reluctance to do something which this government said in January last it was prepared to deal with in this house. These are matters the minister will have to explain. These are matters which he cannot leave untouched. He cannot say the government, in its

wisdom, has appointed a royal commission now and that it would not serve the national interest for us to take a course with regard to this matter that would in any way work against the careful and objective assessment of the royal commission. The royal commission has not yet begun its sittings. I venture to suggest that a federal election will be over before we get a report from the commission. We will not know for many months, for many months, for over a year, what amendments are going to be provided for with regard to the Unemployment Insurance Act and what this government is going to do to replenish the fund.

This is not a fund that belongs to parliament; this is not a fund that belongs to the government of Canada; this is a fund in the main which belongs to two segments of the Canadian population, the workers and the employers of Canada. It is their money. This government has used this money, and it owes it to those who are the beneficiaries of the fund, who are its owners, to explain what the government is going to do by way of bolstering that fund.

We would like to know, for instance, if it is the government's intention to bolster the fund by increasing contributions, without in any way providing an increase in the pattern of benefits, as was done two years ago That was a scandalous performance, increasing the contributions of the workers of this country at a time of high employment, without increasing the pattern of benefits.

These, Mr. Chairman, are some of the matters that engage our consideration as we begin once again to discuss the estimates of the Department of Labour. I hope before the Minister of Labour allows these estimates to pass he will indicate that the government is not sitting back complacently with regard to this problem of unemployment; that it is not drawing the conclusion that because the figure for the last reported period shows a drop of 31,000 in the number of unemployed, everything is well. Let the minister take the committee into his confidence.

What are the prognostications of his department? There was a time—and I would be surprised if that practice did not still exist —when the Minister of Labour was furnished with quarterly assessments for the ensuing period. We have seen assessments as to what levels of unemployment are likely to persist during the fall of 1961 and the winter of 1962. The advisory committee of the unemployment insurance fund, a non-political body serving the government in an advisory capacity, tells us that unemployment in this period will be comparable to last year. If that is the case, what is the government going to do about it? Is it going to continue in the way in which it has dealt with this problem over the course of the past three years, or is it going to come forward with a program, not only in the long term but to meet the existing social waste that flows from unemployment?

That is the main domestic responsibility of this government and no other issue, no matter how important it may be, on the domestic front or internationally can becloud the existence of this issue. This government cannot shrink from its responsibility. Let the government no longer say that it has not had suggestions from the opposition. Those suggestions were in large measure repeated by me today for the simple reason that I did not want hon. gentlemen opposite to say we had no suggestions to make, repeating the suggestion they have made from time to time to the effect that we do not have a positive program.

We were not elected to deal with this problem. The responsibility is one that primarily rests on the government. If it has no program, then let it adopt the Liberal party program. If it does that, we will find that Canada will gradually be restored to the high economic state it had when in 1957 we left office. That is the challenge I put forward.

The Minister of Labour has an opportunity to examine every one of these proposals. Let him tell the committee whether the government subscribes to them or not. If he does not accept those proposals, what does he offer? To tell us that the government is going to continue with its double depreciation program will certainly be a farcical answer because that program can only be described as one capable of producing little, if anything at all.

The government's winter works program, good in principle, obviously does not go far enough. Amendments are proposed by us and by the organization of mayors and municipalities. This is not a federal program. The minister talks about this winter works program as though it were the responsibility of the federal government. It is the program of the municipalities of Canada and the provinces of Canada; they pay two thirds of the cost of the program. Yet this government parades across the country, referring to its achievement in terms of solving unemployment by its winter works program, a program that basically, in a titular way, belongs to the provinces and municipalities and to which the federal government is only one third a contributing party and to which it does not contribute as much as the other two parties.

Let this government realize that it has thus far failed to meet its responsibilities

in this field. Let it courageously tell the house and the country what it proposes to do to bring about a mitigation of this, the most serious domestic problem in our country.

Mr. Howard: Mr. Chairman, it is always interesting to listen to the hon. member for Essex East. However, I often wonder why his actions when in office did not meet his eloquence and the embracing of particular ideas that he now espouses.

Mr. Martin (Essex East): Of course, they did.

Mr. Howard: The hon. member says they did. Of course, the record will show the position to be completely otherwise. It is not my intention to again enter into an extensive discussion of matters coming under the jurisdiction of the Department of Labour, for this was done earlier this session when the estimates were considered before the recess.

However, there is one matter of general importance and general concern that took place after parliament recessed in the summer and about which the hon. member for Essex East spoke at some length. I should like to make a comment or two in this regard. I refer to the appointment of the royal commission to deal with the Unemployment Insurance Act.

All this indicates to me is that the government itself, and perhaps even the minister, is void of opinions and policies on what should be done with respect to unemployment insurance and has used the means of the appointment of some study group to deal with the matter in the hope that it can prevent itself being criticized for delay and procrastination on this very, very important matter.

It would not surprise me in the least, with the expectation that we may have a federal election next year, if this royal commission report were just coincidentally made available at the time of that election so the Prime Minister could tour the country waving this royal commission report, along with all the other royal commission reports, in front of the general public saying to them, as the Prime Minister is so able to say, "All you have to do is just re-elect me and these things will come into effect tomorrow". We all know, of course, that the past record of this government and of the Prime Minister particularly shows that actions while in office have no connection whatsoever with lavish promises made before an election. I wish the study group well in its considerations and in its discussion of the Unemployment Insurance Act and of the fund itself. Certainly there are hundreds of thousands of people in this country who are concerned about these subjects and who have been concerned about them for years. So, naturally, the government should be concerned about this field. As I say, I wish this study group well and I hope it comes up with some sensible and fair recommendations for changes which will be found acceptable by the government in office. However, the experience of past practice leads me to believe that the government will not give too much consideration to what this commission or study group recommends. A few years ago an investigation was made into another matter of concern to the people of Canada, and the result of that recommendation is referred to now as the Clark report. This was an urgent matter in 1957 and 1958—urgent only because the Prime Minister wanted to use it as an election gimmick. That report has been filed with the government for a long time, now, but so far all we have discovered is that the Minister of National Health and Welfare has lost it or, as the phrase goes, is giving it consideration. I doubt very much whether the Prime Minister or the government intend to take any action with regard to it.

There was a report made to the government by the royal commission on publications but so far nothing has been heard of it. I suppose that has got lost, too. The report of the royal commission set up to inquire into the automobile industry, known as the Bladen commission, is another report which has been by-passed and pushed into some dusty closet. In this connection I recall reading some Conservative party propaganda published back in 1957 in which the present Minister of Labour was lauded as being the sole and only expert in Canada on the automobile industry. In any event, we had a royal commission to investigate that matter and the report has been lost. There was a report and recommendations with respect to national fish marketing questions but so far the minister and his colleagues have pushed them to one side. Thus, as I say, past experience indicates that this so-called royal commission appointed to deal with the Unemployment Insurance Act, the commission and the fund is nothing more than a subterfuge to enable the government to get out from under a difficult problem about which it intends to make no decision anyway. In this regard the government operates in an ostrich-like fashion, as does the Minister of Finance in particular, hoping that things will get better in the coming year and giving that as an excuse for doing nothing. I think that is a disgraceful manner in which to treat working class people—to shift these all-important matters on to a royal commission or study

group and then, when money has been spent on making the report, to file that report away and forget about it.

One specific matter I should like to deal with relates to wages, hours and working conditions in the H.M.C. *Dockyard* in Halifax and particularly those of tradesmen employed in the yard. As far back, at least, as 1950—and this includes the period when the hon. member for Essex East was in office—there has been dissension between the employees working in that yard and the government because of the attitude taken by the government with regard to wages, especially the wages paid to tradesmen. There is a system in effect—what the formula is it is impossible to discover—which allows the government to conduct surveys from time to time in private industry in the particular area around Halifax and by some magic formula determine what the prevailing or average rate of pay is. This average is then applied to the workmen in the dockyard. This is what causes the disagreement, the hard feelings and the bitterness, in many instances, of the employees working there toward this government and other governments which have held office.

In the past the government has been inundated with letters, telegrams, personal visits, telephone calls, briefs, presentations, arguments and the like from employees and unions representing those employees in the dockyards about this question of prevailing rates and the rate applicable in the yard itself. So far, no answer has been given. So far over all the years all the employees have got is the run-around, being pushed from one department to another. The question has been referred to interdepartmental committees for study and report but no action has been taken toward a solution, nor is there any indication that a solution will be arrived at. As a result the government cannot expect anything else but disagreement and hard feelings to develop, together with occasional walkouts on the job. As I say, this has been going on for at least ten years and the position has become even more difficult in the last few months. At one time there used to be an arrangement with regard to certain tradesmen under which rates were known as starred rates, or what we might call red circle rates, under which an extra five cents an hour was paid. This was in recognition of efficiency and extra skill on the part of the individuals concerned. In May, 1960, there was a general five cent an hour increase in the rates of the industry itself. When this five cent increase was applied in the yard it was decided that the men getting the starred rates, or red circle rates, would not receive the five cent increase. In fact, they lost five cents because of the attitude of the government. From that time on there were more briefs, more letters and more telephone calls to a variety of members of the cabinet but, once again, all the workers got was the run-around.

As a matter of fact, this question was dealt with by treasury board. The board discussed what was to be the position with respect to establishing a proper formula to govern the pay of the employees. Some time in April—I believe it was on April 17—the board decided that no change should be made in the formula, the reasoning being that it would not be economically sound to take a wage structure which applied to one section of the economy and superimpose the average on another section of the economy. This meant, for argument sake, that the treasury board said that the administration was not going to survey, say, the construction field and then decide that the prevailing rate, or the average rate, should be applicable to the dockyard workers. This would amount to taking results from one section of the economy and impinging them on another section, and for this reason the board decided that the old system should continue to prevail.

What position has been taken by the government with respect to other types of employees in the dockyard? With respect to carpenters and others it takes the prevailing rate applicable in the industry and applies it in the shipyard.

Surveys into the matter have been conducted by the unions in an attempt to find logical and statistical arguments to present to the government. As of July 5 of this year the prevailing rate for comparable work in Nova Scotia ran as high as $2.80 an hour but the rate applicable at the dockyard was $2.05 an hour. By virtue of the government's inherent laziness in dealing with difficult problems a discrepancy of that magnitude is permitted to exist. I submit this is not a sensible way for the government to behave, especially a government which espouses the ideas which the Prime Minister says it espouses. When treasury board met on this question it brushed aside the legitimate request of the men in the dockyard. I do not know why that was done unless, as I said, it was because the government is lazy in coming to grips with difficult problems.

There are several rankling features of the situation in the dockyard. Over the years these employees have attempted to have instituted a system of collective bargaining. They wish to sit down with their employer and discuss the question of a formula for applying prevailing rates. Even that small request has been denied them. No opportunity

has been given them to discuss this matter with those who make these decisions and impose them on the employees, usually without consideration as to the result. These people desire a fair formula and the right to enjoy collective bargaining. They merely wish the rights that are available to almost all other employees in the nation.

There is also concern about the question of check-off. I do not have details of the matter but I know the government will check off union dues for members of staff organizations and associations but does not have the decency to extend the same courtesy to those who are members of trade unions. I am sure this is not in keeping with the public utterances of the minister concerning the rights of employees in Canada. Possibly the minister is not aware of the situation. Perhaps it was not discussed at meetings he attended or perhaps he simply did not pay attention. In any event I put this matter forward now in a public way.

I am informed that on June 27 meetings were held at which these matters were discussed, the questions of a formula, check-off and collective bargaining. In the month of April the minister must have had some knowledge of this matter because he wrote a letter to the dockyard council saying that an interdepartmental committee had been set up as a result of these questions having been discussed. These committees offer little hope to the people on the job. They are not concerned with committees that meet in secret and which take no action. They are concerned with their basic right to enjoy some control over their own welfare, the right to discuss points of difference with their employer. The government should have the courtesy to advise the unions involved that an opportunity will be provided to discuss these points of difference in an attempt to reach a mutually agreeable solution.

I wish to point out to the minister that this problem will not be solved by interdepartmental committees. These have been established on this question before. The question was brushed aside by the committees and no conclusion was reached. Treasury board made the spurious decision to which I referred earlier. As a result of not adopting a fair formula some employees receive up to 75 cents an hour less than comparable employees elsewhere in the province engaged in private industry.

Because of the failure of the government to extend the courtesy to which I referred with respect to the check-off of union dues those outside the staff associations must wander about attempting to collect cash dues from their members. The minister can appreciate how this interferes with the work force and contributes to a negative attitude.

In conclusion I say to the minister that the problem will not be solved by interdepartmental committees nor by letters to the effect that the matter is being given consideration, no matter what adjective is used to qualify the consideration. The minister must say to the council and the union that the government is prepared to sit down with them and negotiate these differences of opinion in an effort to reach a conclusion satisfactory to all. If the minister were to do that he would have taken a forward step toward reaching settlement of the difficulty and would remove any doubt that would tend to be cast on the sincerity of his public utterances.

(Translation):

Mr. Sevigny: Mr. Chairman, I was most impressed by the eloquent speech made in this chamber by the hon. member for Essex East (Mr. Martin). He is always interesting, and the only criticism I would address to him would be that he repeats a little too often previous statements made by him many times at the beginning of this session. I cannot blame him because, as I just said it is always a pleasure both for government and opposition members to listen to the hon. gentleman.

Mr. Chairman, I have no intention today of dealing with a controversial issue; neither do I have any desire to discuss the particular arguments brought forth in the course of this debate by the hon. members of the opposition. I would rather deal with a general issue of great interest to me and which in my opinion should also be of interest to all the right-minded Canadians. I am referring to the economic freedom in Canada.

Freedom, our most precious right in this world, as it was so well described by the great French writer, Louis Veuillot, inspires good thinking and I noticed when I was preparing my remarks that thoughts along that line are not always easy to express. I therefore ask the house to be indulgent for someone treading on ground as difficult as world economy.

The person who can act without restraint, while abiding by the laws, enjoys civil liberty, from which stem liberty of thought and action on temporal and spiritual things.

Canada certainly has just as much wealth of civilization if not more than her neighbours.

The faculty we enjoy of acting, speaking and writing freely is however submitted to

the free right of criticism which is rarely unemployed here in Canada. Criticism can be severe at times, and Sir Wilfrid Laurier used to say that it uses a sprinkler which often has the appearance of a bludgeon.

Criticism might be severe and refuse to admit certain views I express, but I do not think it can lessen my sincerity. It is a well known fact that the majority of the Canadian population is of French or English descent and that it has a leading influence. However, that influence does not allow us to ignore that Canadian freedom, during the last 60 years, has been generously granted to an important part of our population which is of other descents.

Thousands of immigrants, indeed millions, have come from almost all the European countries. Many of them settled in our cities, but the majority chose our western prairies. They took advantage of our naturalization act, thus securing the franchise and the consequential freedom to discuss with us our national issues.

In the economic structure of Canada, their intellectual influence and their material wealth cannot be ignored.

For Canadians whose forefathers settled in this country long ago, whether French or English speaking, as well as for Canadians by adoption, the freedoms of thought, of speech, of writing, and the right to pray, to own properties and to vote are the same. The privilege of being a free man in a biethnical and bicultural country is one of the greatest advantages that is fortunately to be found in our country.

In the province of Quebec, we enjoy this great privilege of having for our mother tongue the French language which has the fluidity of running water and the resistance of metal, as a great French writer so well described it.

Moreover, we enjoy this freedom of religion which has enabled us to build churches in our cities where we may pray God in the faith of our parents or that of our choice.

In addition to this freedom of speech, of religion, of action and of opinion, we enjoy economic freedom that permits us to convert into riches the products of the soil with which Providence has so generously endowed all parts of our country. The material results obtained are impressive: transcontinental railways whose facilities are being constantly improved, civil and commercial aviation, the building of the St. Lawrence seaway, huge Canadian factories, agricultural products of which wheat alone represents up to 500 million bushels—

(Text):

Mr. Pickersgill: Mr. Chairman—

(Translation):

Mr. Sevigny: —exports of forest products—

(Text):

Mr. Pickersgill: Mr. Chairman, I feel constrained to rise on a point of order. My point of order is that we are considering the estimates of the Department of Labour, the conduct of the Minister of Labour, and presumably those problems directly associated with his department. I am just wondering whether the Associate Minister of National Defence has not made a mistake about the audience to which he is speaking and perhaps the speech he intended for the Richelieu club is being delivered here instead.

Mr. Sevigny: Mr. Chairman, on the point of order, may I say first of all that when I started my remarks I said that I was going to speak on a general theme. I am trying to give a general description of the advantages which we have in Canada which to my way of thinking permit us to say that the economic situation, far from being as bad as hon. members of the opposition would like the Canadian people to believe is on the contrary a very strong, very potent and very rich one, and that we have every reason to be proud of the results which have been achieved. The fact that, in spite of the prophecies of gloom which we have heard so frequently from hon. members opposite, this government has succeeded in defeating the economic recession which was threatening the nation, is to its credit and its honour.

At long last we are on the way to our new and ever higher destinies. This has been done by various methods which I should like to explain to the committee, and which I am sure are just as interesting to the committee as the eternal prophecies of gloom and doom which we have heard so frequently from hon. members opposite.

If the hon. member will permit me to continue my remarks I shall do so, and I would appreciate it if he did not interrupt me any more than we did when he repeated the same old speeches which we have heard so frequently in the house.

The Deputy Chairman: Perhaps I should intercede just briefly to indicate that I was listening carefully to the minister. I am inclined to the view that a general discourse on the economy of the country as a whole or of the entire world would be straying a

little far from the narrower subject that is before the committee for consideration.

I have made it a practice, as hon. gentlemen know, to allow a pretty wide scope of debate on item No. 1.

I hope that no member or minister will take advantage of this generous spirit by wandering too far from the topic under consideration.

Mr. Sevigny: I will certainly abide by your ruling, Mr. Chairman. I was trying to point out in the earlier part of my remarks that in Canada we have a tremendous development program which, if you look at the potential of the nation, is really only in its initial stages. My remarks were intended to indicate that, far from being pessimistic concerning the difficulties which we have experienced in the past and which we may experience again, we have in the contrary every reason to be optimistic because though we have had problems during the last two years we seem to have found the proper solutions and today we are marching toward ever greater prosperity and certainly toward progress.

(Translation):

Mr. Chairman, I should like to revert to the use of the French language to continue the remarks I was making when I was interrupted by the hon. member for Bonavista-Twillingate (Mr. Pickersgill).

Mr. Denis: And rightly so.

Mr. Sevigny: As I was saying, I listened to the hon. member for Essex East (Mr. Martin) who, explained to us once more before recess, what he said many times in this house when he gave figures on the unemployment situation in Canada, during the past few years. As a matter of fact, we were worried about the unemployment which was prevailing in Canada and which seemed to threaten our economy and the present and future welfare of our fellow citizens.

It is precisely because we were worried about the consequences of unemployment that the government introduced measures which made it possible to cope with the existing difficulties.

For instance, with a view to activating the circulation of money, which means greater buying power for individuals, we have asked the chartered banks to guarantee loans to small industries that need money to build or improve their plants.

Because we have recognized the fact that most of the unemployed are labourers, this government has contributed to a large extent to the establishment of schools which the unemployed of this country can attend to learn a trade, because the government realizes that construction is an essential factor in our country's prosperity.

Billions of dollars have been loaned to Canadian builders and to the citizens who want to build their own homes. This was done through the Central Mortgage and Housing Corporation.

Precisely because this government knows it is essential to have close co-operation between capital, labour and government, we have decided to call together in a productivity council the heads of the major Canadian industries, the heads of the main labour unions in the country, the people who are experts in economics, industry and all other fields. It is by uniting those three forces—labour, capital and government—that we succeeded in finding formulas that made it possible for our economy to spring back to new life and soar to new heights.

Mr. Chairman, we are happy to find that all our efforts have been successful, since unemployment is not only decreasing but everything shows that the proportion of Canadian workers who are unemployed will continue to decrease. The forecasts for coming years are excellent and even give a promise of unprecedented prosperity.

For instance, allow me to point out that this reduction in unemployment is felt in the district I represent here in this house, where there are about 171,000 workers. There were, last March, more than 6,500 unemployed in that district. Now, last Friday, I met the director of the unemployment insurance office who told me that this number had gone down, in the relatively short period of six months, from 6,500 to about 1,800, and he added that there was work for at least another 1,200 persons.

Mr. Denis: This is on account of Mr. Lesage's administration.

Mr. Sevigny: Just in order to show you that the reduction in the unemployment rate in the Longueuil area is very real may I point out that in the *Nouveau Journal* of Saturday last, we find full pages of ads put in by our merchants, industrialists or businessmen, offering jobs to potential workers.

This goes to show, Mr. Chairman, that the prophecies of doom and gloom we have heard repeatedly from hon. members opposite these last few months, were not based on facts but

rather on the only hope these gentlemen have, of regaining, at any price, the power which they lost in 1957, through their inertia, their incompetence and their long disinterest of public affairs.

Mr. Chairman, I should like to recall all the evil done to the renown of our country and, at the same time, to the welfare of our fellow citizens, by their constant harping on the fact that there is in Canada a certain degree of unemployment, as well as the exaggeration, constantly entertained by hon. members opposite, of the seriousness of this problem. I will not go as far as saying that the problem was not serious. I will not try to minimize the importance of taking care of those who are without work and of finding them a job so that they can play an important part in the economy of our country. On the contrary, we have been concerned with those who are without work. We have understood the hardships suffered in homes where the scourge of unemployment unfortunately strikes. As I just said, we have taken all the steps that we could take to check this scourge, and we already consider ourselves very fortunate for having succeeded in this.

I believe that it is in poor taste and surely not proper to constantly seek to blacken Canada's good name by over-emphasizing the seriousness of our economical situation. Last winter, in French and English newspapers, well-known journalists were writing articles telling the British, French, and other Europeans to forget Canada, to forget about coming to settle here and even to forget about investing money in our country because, as they said: "It is becoming more and more obvious, when reading Canadian newspapers and the criticisms made there, that Canada is a country suffering distress and hardship; Canada is no longer the land of tomorrow that we had heard of."

This reputation, given to Canada, is harmful and even disastrous. Moreover, it is not based on fact because Canada, far from being a land of hardship, as hon. members opposite have unfortunately too often tried to give the impression—only, as I say, in order to attain certain political ends—far from being a land of hardship, Canada, on the contrary, might well be the wealthiest country in the world. It is certainly the country where the future is most promising for those who want to start a family, establish a business or an industry, and prosper along with the country.

[Mr. Sevigny.]

Mr. Chairman, one only has to travel in foreign countries, to go to South America for instance, or Africa, or to look at what is happening in Asia, to realize that Canadians born here in Canada, or those who had the privilege of coming here to settle, are actually privileged, and that in fact it is in this country that we find true happiness and the best opportunities for prosperity and a happy future.

Mr. Chairman, I recently went to South America and I was able to witness the poverty of those who live in countries under an autocratic regime, or those whose countries are too often torn by internal revolutions. I saw there, Mr. Chairman, the havoc that communism can visit on a country when it permeates the social, cultural, intellectual and economic life of the nation.

I saw a country, such as Brazil, where out of a population of 70 million inhabitants, 35 million are illiterate and live in the most awful poverty. I saw that land which was called, not so long ago, "Brazil, land of the future", a country one step from bankruptcy, one step from ruin and one step from the most complete social upheaval.

In Argentina, which bears a striking resemblance to our country, from a cultural, social and economic point of view, I saw the threat of complete bankruptcy, and had it not been for the constructive genius of the man who is now that country's president, I think it would be today in the throes of revolution.

Why are those nations in such a state of distress, whereas we here in Canada today are enjoying prosperity, peace and what might be called almost full employment? This, Mr. Chairman, is due to the fact that over there, countries did not realize the greatness of that democratic freedom I mentioned at the beginning of my remarks. They failed to realize that it was by living in accordance with the democratic ideal and the philosophy of life which is ours, that a country could develop, prosper and aspire to still greater destinies. At the turn of the century, when they were offered the same chance as we were, they preferred to that democratic system, which gave us our strength which enabled us to develop and prosper and reach our present standards of living, an autocratic and despotic rule which destroyed all liberty. If I mention those things now, Mr. Chairman, it is because I have gained the impression that if we continue being prophets of gloom and doom in this way, and to sow doubt and anxiety in the minds of people, we shall create, here in Canada, a class of revolutionaries, which will

grow in strength, in power and in number at times of economic recession like the one we have known the last two years, when there was unfortunately too much unemployment. It is in the minds filled with doubt and anxiety and it is in homes where people suffer that communism can be sown to develop and eventually spill over and lead to devastation.

I can understand that politicians would want to say that everything is wrong and try to gain some political advantage among a certain class of people by exploiting a certain uneasiness which may exist within the nation. But such an attitude, in my opinion, is not that of a good Canadian, because a policy like this one when stretched too far, when exaggerated as it has been by members of the opposition, is likely to give rise to concern and even terror in the minds of the people, and could easily lead a country, where everything is good, great and prosperous, where freedom prevails like nowhere else, to the tragic situations in which other countries exposed to revolutionary movements find themselves and to the crises which accompany communism wherever it is successful.

Mr. Chairman, I listened with great interest earlier to the remarks of the hon. member for Essex East (Mr. Martin) and I told him too that is is always with a renewed pleasure that we listen to him in this house. He suggested that the program of the Liberal party should be implemented, because, according to him, it woult result in a prosperity unknown to us up to now. I wonder, Mr. Chairman, why the Liberals did not think about some of those points during the 22 years they sat on the treasury benches.

Mr. Denis: There was no unemployment in those days; we had prosperity.

Mr. Sevigny: Mr. Chairman, a report on the economic prospects, prepared by Canada's outstanding economists, forecast, in 1956 and 1957, the economic difficulties we experienced in 1958 and 1959; however, our friends of the opposition, knowing quite well that that report would certainly not help them on the hustings, chose to hide it because the people would have realized by reading it, that it was not with those who had run the country during 22 years, that Canada would achieve prosperity but with the Conservative government which, after its election, succeeded in getting our economy out of the rut where it had been left by the Liberal party. If we are enjoying a certain degree of prosperity today, if today we have progress and if we can look to the future with confidence, surely we do not owe it to any advice given us in this house or elsewhere by the hon. members of the opposition, but rather to the wisdom, skill and intelligence shown by the leaders of the Conserative party in introducing social and economic measures that have brought the country its present state of prosperity.

Mr. Deschatelets: Mr. Bennett used to talk like that.

(Text):

Mr. Pickersgill: Mr. Chairman, I wonder if the associate minister would permit me to ask him one question?

Mr. Sevigny: If the hon. member will permit, I shall finish my remarks in about two or three minutes and then I will be delighted indeed to answer all his questions. Mr. Chairman, I say to this committee that in our opinion the Canadian people have every reason to be proud of the performance which has been demonstrated by the members of this government in the finding of solutions to the economic problems which faced this nation. The problems were great and it was indeed difficult to find the proper solutions.

The members of this government worked many hours in order to find what they considered to be the right formulas for the Canadian economy. They had the help of all those who in their opinion knew something about these economic problems. They requested the co-operation of all those Canadian citizens interested in the future of Canada and the welfare of its citizens. It is through this co-operation of the state, of capital and of labour that we have arrived at the present successful conclusions.

A moment ago the hon. member for Essex East was suggesting that in order to get more and more prosperity we should follow the program that was enunciated at the Liberal convention which took place here in Ottawa last January.

Some hon. Members: Hear, hear.

Mr. Sevigny: May I say this to the hon. member, that if he reviews the various points of this great program to which he refers, he will realize that most of the measures contained in it have already been put into effect by the present Conservative government.

Some hon. Members: Oh, oh.

Mr. Sevigny: If the hon. member looks still more closely and if he goes back to the authors who describe what socialism is, he will find out that the other measures he

suggests are purely socialist measures which possibly could be understood if they came from the mouths of the members of the new party but which cannot be comprehended when they come from members of this once great Liberal party, which at one time could describe itself as the party of free enterprise but which today is more or less a modified version of the so-called new party.

I am very much afraid that if the only formulas the hon. members of the opposition have to suggest are those which they expressed during that great convention of theirs which took place last January, the Canadian people will not find much comfort or much solace in these suggestions. I am confident, on the contrary, that the Canadian people today appreciate the fact that if there is prosperity in this country it is due to the enlightened leadership of the right hon. Prime Minister, the members of his cabinet and the members of the Progressive Conservative party of which I am a proud member.

Mr. Pickersgill: Mr. Chairman, the associate minister was kind enough to say he would be glad to answer all the questions I might ask about his speech. However, I do not think I will take up the time of the committee by going into all the irrelevancies, foreign and domestic, in the speech to which we have just listened. I have a hard, practical question I should like to put to the minister.

He talked about the desolate economic state of this country as revealed in a secret report, which his friends were apparently too stupid to appreciate at the time until they found a report in a drawer. If the conditions were so bad, surely these bright people, these paragons, might have found that out for themselves.

Some hon. Members: Question.

Mr. Pickersgill: I have as much right to speak in the committee as anyone else and I am, after all, speaking about the only thing in the speech of the minister that was relevant. What I am doing is laying the foundation for a very simple question. Could the minister explain this. If the economic condition of Canada was so dreadful and so menacing in 1957, and if we have now reached new heights of prosperity, as he has said we have, under the enlightened leadership of the present government, why was it that in 1957 some 280,000 people came to this country from abroad and found employment and a chance to make a living here and this year barely a quarter of that number are going to come, and practically none of them are coming to look for work because they know that is not worth doing?

[Mr. Sevigny.]

I should also like to ask the hon. gentleman how it happens that if conditions were so dreadful in 1957 and are so wonderful today, there are more than twice as many Canadians looking for jobs today as there were in August of 1957?

Mr. Sevigny: Mr. Chairman, I have said, and I repeat, that in 1956 and 1957 those who studied the economics of the nation could see the dark clouds looming on the horizon, and they said so in a report.

Mr. Pickersgill: That is not true, of course.

Mr. Sevigny: It was only because hon. members opposite knew that it would be dangerous, after 22 years of power, to tell the Canadian people all was not rosy on the Liberal horizon that they kept this report carefully hidden. The hon. member has mentioned that 280,000 people came to this country in 1956 or 1957.

Mr. Pickersgill: It was 1957.

Mr. Sevigny: It is true that this year the number has decreased.

Mr. Pickersgill: To less than a quarter.

Mr. Sevigny: This number has decreased because the hon. members of the opposition, whether it be in this house, on television or on radio, have said too often that there was no future in Canada, and that this was a land of despair. It is because of this that people from abroad are afraid to come here and have refused to come here.

However, I can assure the hon. member that in view of what is happening at the present time this situation is bound to change in future years, because at long last, thanks to the actions of this government, people abroad realize that Canada is a land in which it is pleasant to live and not the land of distress which has been described by hon. members of the opposition.

An hon. Member: Because there are fewer Liberals.

Mr. Sevigny: Mr. Chairman, there is one other matter on a more personal level. I do not recall that I, or any of my colleagues, have ever called the hon. member for Bonavista-Twillingate names or accused him of stupidity. Frankly, may I say that I find the word "stupid" rather unparliamentary and surely it is out of place in the present debate. I do not hold it against the hon. member for using such words, but I believe his stature would grow in this house and elsewhere if he respected those who engaged in debate with him as much as we try to respect the hon. member when he rises to express his views in this house.

Mr. Pickersgill: If the minister will permit me, Mr. Chairman, I think perhaps he misunderstood what I said. I suggested that the minister was himself accusing his colleagues of stupidity, not that I was. I would explain to him very briefly and very simply why I say that, and I think it is very important.

The minister has asserted, as his leader asserted on January 20, 1958, that in a secret document some economists predicted a recession and that this document was hidden. That document was written in January of 1957 apparently by gentlemen with greater prophetic gifts than the leaders of the Conservative party. That was the point I was making, that today the minister has said what the Prime Minister said in January of 1958, that some people working for the federal government knew what was going to happen a year later, but that the Conservative leaders did not know. Why didn't they know, if the signs were so clear? Is the minister saying, and was the Prime Minister saying, that they were, to use the word I used, so stupid that they could not see those signs although some economist in a back room could see them? If so, why have they chased those economists out of the public service and stopped issuing those reports? If these men were so valuable why did hon. gentlemen opposite not keep them instead of getting rid of them? The fact is that months after the present occupants of the treasury benches had taken office the government was still saying there was nothing serious about the employment situation. When the Prime Minister met the premiers in November of 1957—I have not got the document here, but I could get it—he told them: there is a very temporary situation, but we are going to correct it in a few short months. He told the premiers: do not worry, it is nothing serious at all. Remember that the Prime Minister had been in office from June to November, that is to say, for five months, and if he was not stupid it was certainly careless of him not to have discovered this information in the meantime and found out what it was that the economists knew that he himself was not bright enough to see for himself. And, indeed, no other Canadian was aware of it, because anyone who reads that document objectively will realize that it never said what the Prime Minister made it say by picking out bits and pieces and leaving out all the rest. What it did say was that the rate of growth was going down, and Mr. Harris said the same thing in almost exactly the same words in his budget speech well before the election. There was no deception. There was nothing of that sort. The fact of the matter is that in the year 1957 practically every Canadian was employed all through that year though we received, in that same year, the greatest addition to our population from abroad that we have had since 1913—282,000 people. Practically all of those people found work and most of them are still here and looking after themselves.

Mr. Sevigny: On a point of order. I regret to interrupt the hon. member, but I should like to ask him this: is he asking a question or making a speech?

Mr. Pickersgill: I am making a statement in response to the minister's request that I should not accuse him of being stupid. I started out by saying that I was not accusing him of stupidity but that he was accusing his colleagues of stupidity or, to say the least, of carelessness.

Then again, on December 10, 1957 the Minister of Labour himself went to Montreal —this quotation has been referred to year after year and if anyone challenges it I shall produce it. I do not think the minister will challenge it. Well, the Minister of Labour has said on that occasion that there was no recession, that there was no serious unemployment.

An hon. Member: Seasonal.

Mr. Pickersgill: Yes, seasonal, as my friend from Maisonneuve-Rosemont has just reminded us. He said it was just seasonal. Even in December, six months after this government came to office, they had not discovered this terrible situation that some economist in the back room somewhere knew all about the previous March. If that is not a confession of stupidity or a confession of carelessness or a confession of incompetence, I do not know what is. And that is really what the minister's statement amounted to.

The minister cannot get around this other fact that at any time in 1957 unemployment was a great deal less than it has been in any year since in a comparable month—a great deal less—and in the month of August, 1957, it was less than half of what it is today.

The plain fact of the matter is that when members of the government say: why did you not put into effect when you were in office these recommendations you have made regarding unemployment, the answer is that we did not do so for the good reason that at no time after the war was there any persistent unemployment which necessitated such

measures. There was, certainly, unemployment in two winters—quite serious unemployment—and at that period the St. Laurent government did not waste any time. They called the provinces together and my hon. friend from Essex East put before them a scheme for unemployment assistance which was accepted by the provinces and which, fortunately, was put into operation by a Liberal government. If it had not been there would have been a great deal more suffering than there has been in the last four years during a period when the Prime Minister promised there would be no suffering as a result of unemployment as long as he was prime minister.

Mr. Sevigny: The hon. member for Bonavista-Twillingate has once again referred to the stupidity of members of the government—

Mr. Pickersgill: Self confessed stupidity.

Mr. Sevigny: He says that at that time we lacked the brightness which, he believes, illuminates his own side of the house.

Mr. Martin (Essex East): That is obvious.

Mr. Sevigny: The hon. gentleman referred at length to this report which was so carefully hidden away from the eyes of the Canadian public, and he has referred at length to the speech which was made in January of 1958 by the Prime Minister in this house. It seems to me that if he and his friends remember the effects of that speech it would be best for them in view of the eventual results to forget it. We on this side, of course, are far too courteous and polite ever to call an hon. member of this house stupid or lacking in brightness, but I am afraid that if the hon. member continues in this vein it will be the people of Canada who will call him stupid and lacking in brightness.

Mr. Valade: On a point of order. The hon. member for Bonavista-Twillingate will, I am sure, allow me as a backbencher to correct his figures regarding unemployment. I should like to ask him the authority for his statement that there is more unemployment today than at any time in earlier years.

Mr. Pickersgill: From the bureau of statistics. I happen to have the figures right here on my desk.

The Deputy Chairman: That is hardly a point of order. The hon. member can carry on later. The hon. member for Fort William—

Mr. Badanai: The Associate Minister of National Defence who has just finished a speech on this subject of unemployment is to be congratulated on his faith and belief in the government of which he is a member. He believes the government is meeting the employment and economic problems of the country. However, we on this side cannot find evidence to substantiate the belief that a solution has been found to these problems.

I do not wish to be analytical or controversial in discussing the estimates of the department presided over by the genial Minister of Labour, for whom I have great respect as a friend of long standing and as the chief executive officer of a most important department of government, but I have one or two questions in which I am particularly interested because they affect my own constituency to no small extent.

The first is the fact well known to this house that the city of Fort William needs new quarters to accommodate the unemployment insurance office, which now occupies a 70 year old building with no sanitary facilities available to the hundreds of people who visit this office daily. I have pointed out to this house on several occasions the deficiency of office space in which this important department is housed. The Minister of Labour informed me two years ago that plans for a new building were being drawn up and that he hoped it would soon be built to accommodate the staff, now subject to the worst possible labour conditions imaginable.

I visited the offices in question on several occasions. The last time I was there was the last week in August of this year. The basement was flooded—it had rained during the night. The corridors were crowded. I could hardly distinguish the office workers from the job seekers. I doubt whether there is a national employment office anywhere in Canada with facilities as poor and inadequate as those at Fort William, which serves an area of 70,000 people.

The minister is well aware that the Department of Public Works owns a central site which was formerly occupied by an armoury now demolished. I should like to hear from him what happened to the plans for the new building, which incidentally when built could accommodate other federal department services now renting from private concerns.

The unemployment situation at the lakehead has eased somewhat, as was expected, and thanks to the defence production program announced by the Minister of Defence Production a few weeks ago industrial plants in the eastern part of Ontario are now busier than they were in the past and the employment outlook is brighter. Canadian plants are beginning to reap the reward from purchases of defence equipment such as aircraft and heavy equipment of all kinds, but unfortunately the plants which are getting the largest share of orders are concentrated in

the eastern parts of the country, chiefly in Toronto and Montreal. While the plant of Canadian Car and Foundry Co., Limited at Fort William is now engaged in the manufacture of prefabricated movable homes for the armed services in the Arctic regions, I am convinced that it should share a larger proportion in the defence production program for Canada. Instead of employing a few hundred people, it should employ a few thousand. I beg the minister to use his influence with his colleague, the Minister of Defence Production, to try and equalize the distribution of defence orders more equitably than has been the case in the past.

The announcement of the minister that the government will contribute to an expanded municipal winter works incentive program to go into effect on October 15 next was, by and large, well received. However, while it includes projects hitherto not allowable under previous legislation, it does not fully meet the requirements of assistance which would spur the municipalities into a program of public works that would absorb a far greater number of men from the ranks of the unemployed.

What the municipalities want is to have the government share in the cost of materials. If such a policy were adopted, it would provide employment for twice the number of men, to say nothing of providing an increase in employment in the manufacture and supply of materials and services as a result of the program.

During the past several years efforts have been made by municipalities, by individuals and by organizations to stimulate winter employment. As an example, the lakehead unemployment advisory board has carried on a "do it now" winter work campaign for some years, and with great success. This committee is composed of men and women dedicated to the welfare of the community who have spent hours at every meeting trying to find some means by which to alleviate the vicious problem of unemployment. I sat in at some of their meetings and I know the sincerity of purpose of these people representing a cross section of the population of the cities of Fort William and Port Arthur. Not the least among the members are the managers of the unemployment insurance offices of both cities, whose zeal and dedication are indeed worthy of praise. I congratulate the department for having men of such high calibre at the head of these offices.

Winter construction now is not what it used to be. With the advancement and adoption of new techniques, construction undertaken in the winter months is of a quality equal to that undertaken in other seasons and therefore there should be no hesitation in stimulating construction in the winter. Contractors should assume greater responsibility in their bidding on projects for construction during the winter.

The co-operation of all levels of governments, and that of individuals, organizations, architects and contractors is required to obtain the maximum construction activity during the winter which alone can ensure a vast improvement in the winter employment situation.

The August issue of the Bank of Montreal's *Business Review* notes that while everyone agrees high levels of employment are desirable, there is disagreement as to ways and means of achieving this aim. The publication summarizes the findings of the special committee of the other place on manpower and employment, which findings have contributed to a better understanding of the unemployment problem. And here I should like to say that if the other place had done nothing else during the year, the submission of their report alone would fully justify the existence of the upper house.

The review goes on to say that the Senate committee believes that a slower rate of growth, coupled with changes in Canada's basic economic structure, are the principal factors accounting for high unemployment. There was a decline in the rate of capital investment, so that a large portion of the labour force was displaced from construction and capital industries, without the opportunity arising for absorption in other kinds of work. Finally the review quotes the committee's own summary in these words:

> There is a changed world environment. There are new trends and new circumstances in our society at home. These require re-thinking and a willingness to re-examine our priorities, our methods, and our machinery of economic policy. Continued progress depends on the ability to adapt, to solve new problems, and to take advantage of new opportunities.

The committee responsible for the statement which I just read has certainly rendered a public service of inestimable value in contributing toward a better understanding of the unemployment problem.

One cannot speak on unemployment without thinking of the melting unemployment insurance fund. In tracing the history of the fund, we find that when it was established in 1940 it was designed to be stable and self perpetuating. The act, which provided for a contribution of 20 per cent by the government, 30 per cent by the employee and 30 per cent by the employer, stood at $900 million by March, 1957. By March, 1958, it had declined to $754 million. By March, 1959 to $512 million and by March, 1960 to $383 million. I am informed that as of August 30, 1961 it was at $140 million.

Unless something is done, and done soon, it will not be many months before the fund will have reached bottom. This happened notwithstanding the government's action of two years ago, which increased by 30 per cent the rates payable by employees and employers.

It is true that the number of weeks allowable for benefits under the act was extended from 36 to 52. Is the government considering another boost in the rates which employees and employers are now paying?

Drastic remedial measures are needed now. A blood transfusion of approximately $200 million is necessary to put the fund back at a level where our present unemployed may be assured subsistence payment until they can find gainful employment again. And I submit that the only source this money can come from is the federal treasury.

The one-time surplus unemployment fund of $900 million is no longer self-sustaining. Apart from the causes of poor investments, this diminution has been brought about because of relatively high unemployment with which this government has been unable to cope.

I wish to have the permission of the committee to insert in *Hansard* a table having to do with the number of claimants for unemployment insurance. The source of this information is the *Canadian Statistical Review* of March, 1961. If the committee wishes I can read it.

The Deputy Chairman: Does the committee give leave to the hon. gentleman to have this table inserted in *Hansard* at this point in his remarks?

Some hon. Members: Agreed.

[*Editor's note: The table above referred to is as follows:*]

*Claimants for Unemployment Insurance

(in thousands)

	1956	1957	1958	1959	1960	1961
January		546	835	785	783	847
February		572	869	796	814	873
March		559	860	767	823	
April		374	722	611	715	
May		250	551	279	364	
June		205	445	220	296	
July		206	301	226	294	
August		209	295	210	280	
September		227	283	202	280	
October	139	268	324	251	330	
November	215	403	419	418	485	
December	398	744	715	686	754	

Source:—Statistical Report on the operation of the Unemployment Insurance Act February 1961; *Canadian Statistical Review* March, 1961

*Claimants currently reporting to local offices; all persons currently reporting to local offices to claim unemployment insurance benefits, either regular, seasonal or fishing.

Mr. Badanai: As I have already mentioned, when the fund was set up unemployment insurance was established for the purpose of giving workers some protection against loss of income during brief periods of unemployment. Since then, the brief periods for which the fund was designed have developed into an all-year-round chronic jobless problem.

The fund is no longer looked upon to serve its original purpose as a stopgap for people between jobs, but rather as a welfare agency, the only source to which the unfortunate unemployed can turn.

[Mr. Badanai.]

I do not minimize the seriousness of the situation into which the government, unwittingly perhaps, has fallen, but it cannot be denied that a major reappraisal of the unemployment insurance system should be proceeded with without delay.

I am sorry to say this, but I must say it. This government's worst enemy, is its attitude of procrastination when confronted with major issues requiring major remedies.

One of the solutions may be that which was recommended by the Canadian welfare council before the manpower committee of

the Senate to the effect, that the national employment service should be separated from the unemployment insurance commission. This separation could lead to a number of important changes in the machinery for the handling of both employment and compensation for unemployment.

With regard to compensation for unemployment, there are reasons to believe that there are instances where a too rigid interpretation of the act affecting seasonal workers, especially those in the building industry, has worked considerable hardships on those people who, as a result of the strict interpretation of the act, were denied unemployment insurance benefits.

Moreover, a new interpretation of the act, which I think was never intended, is evident by the denial of unemployment insurance benefits to tradesmen, such as carpenters, plasterers and brick-layers, only because they accepted employment from individuals and notwithstanding the fact that stamps have been provided for their books. It seems to me that this new interpretation should be re-examined at the earliest possible moment.

On the other hand cases have been reported where some individuals have cashed in on a loophole in the unemployment insurance regulations. An example was reported a few months ago in an editorial of the *Financial Post*. I do not recall the exact date or month; it might have been in October or November, 1960. It concerns a family living in Winnipeg who had earned $10,205 in a year while drawing unemployment benefits. Here is how it was done, according to the report.

The husband earned $85 a week as a carpenter and was laid off in December, 1958, just as he bought a building lot and poured a concrete basement. His wife, a garment worker, stayed at her $30 a week job, while he signed for jobless pay, claiming a nine-year old son as a dependent. He got $36 a week in benefits. This also entitled him to earn $18 a week as an "allowable" income and he promptly got a job for one day a week that paid $16.50. He mortgaged the lot and built his own home with money he borrowed. He worked four days a week on his house and one day at his carpenter's job. Several months later, while still unemployed, he sold the house for a profit of $4,860. Then, he promptly went back to work full time.

To sum up this family income: salary, June to December, 1958 at $85 a week, $2,210; unemployment insurance benefits December, 1958 to July, 1959 at $36 a week, $1,080; allowed income $16.50 a day for the same period or $495; his wife's earnings, $30 a week or $1,560; profit on the sale of the house, $4,860; total income, $10,205 or $194 a week. In January, 1960 he was laid off again. He got another one-day-a-week job, bought a second lot and, according to my understanding, has now completed another house and will probably repeat the performance of the previous year.

The reason for bringing this particular episode to the attention of the government is to show that our present regulations are inadequate to control a situation such as I have tried to describe. There is no regulation to stop anyone from duplicating the performance of this person whose name I do not know.

There is no law to prevent a man out of work from building a house, a boat or furniture, and I am not advocating that there should be. Indeed, I commend any person for his enterprise in trying to keep himself employed. But if it can be shown that the income of such self employed persons is above a ceiling and that therefore they should not be entitled to receive unemployment insurance benefits, there should be some means whereby the regulations can be so amended. In other words, there must be a better way of operating an insurance scheme.

Perhaps consideration should be given to setting up two separate systems with separate funds, one for seasonal workers and the other for non-seasonal workers. The latter fund would serve non-seasonal workers, which was the original purpose for which the unemployment fund was established, to give regular workers some degree of protection against loss of wages for brief periods of unemployment. Such a fund should be as nearly self sustaining as possible. The other fund would require substantial annual assistance from the government.

In any event, the government has to make a decision soon. It cannot postpone the day of decision indefinitely. The question of what is to happen to the fund and how it is to be supplemented before it has all melted away and only drops remain is of course the responsibility of those who sit on the treasury benches. We in the opposition can only hope and pray that conditions will improve to such an extent that fewer people will need the assistance of the unemployment insurance fund in the future.

Mr. Martin (Timmins): Mr. Chairman, before this session resumed on September 7 I for one had made a pledge to myself that for the balance of the session I would use the greatest of self restraint because I am one of many Canadians who feel that this session which started last November has produced far too much talk and far too little action. However, I find it extremely difficult in a situation such as this to exercise that self restraint when, for example, we hear the Associate Minister of National Defence painting such a rosy picture of the present economic

situation in Canada and when we realize that to paint such a picture he had to make use of comparisons with the cannibals of South Africa and the poor downtrodden people of South America. Surely the time of the house should not be wasted with such comparisons. Since when are we going to say that our situation is so wonderful by comparing it with that of the thousands of illiterate, downtrodden people in South America? Why does he not make comparisons with the people of the British Isles, Europe, the Scandinavian countries, Australia and New Zealand if he wants to make proper and sensible comparisons with regard to economic conditions? Instead, as I say, he compared Canada with South America, Cuba and so on, not realizing that we are as guilty as anybody for the present situation in Cuba. When the Cuban people tried to lift themselves up by their bootstraps, what did we do? We chased them straight into the arms of the Russian bear, possibly irrevocably. I think the time of the associate minister could be put to better use in this house.

I also think that the Canadian people are not too impressed by the endless statistics we hear from the hon. member for Essex East. I think a great many Canadian people realize that for 94 years we have had the Liberal pot calling the Tory kettle black and they are becoming fed up with this situation.

Mr. Martin (Essex East): The best years in Canada's history.

Mr. Martin (Timmins): I think it is time that both the government and the official opposition realized that it is the system to which they both subscribe so slavishly which is the cause of the problems that we now have.

Mr. Martin (Essex East): Nonsense.

Mr. Martin (Timmins): I think they should realize, as the associate minister said, that things are changing. Surely one of the greatest indications that things are changing was given to the Canadian people in the month of August when there took place in this very city the largest political convention ever held in this country, which was attended by people who are fed up with the old system.

Mr. Martin (Essex East): And when you could not agree on giving people jobs, when you disagreed with Eugene Forsey, when you said you would not guarantee people jobs.

Mr. Cooper: How many farmers were there?

[Mr. Martin (Timmins).]

Mr. Martin (Essex East): Never was there a party whose bankruptcy was so well displayed as by that disagreement.

Mr. Martin (Timmins): Mr. Chairman, possibly I have underestimated the effect that the convention had on the hon. member, especially when just the very mention of it raises a storm such as we have just witnessed. As I say, my resolve was to restrain myself, and while I am greatly tempted to continue further along this line I will try to come back to my original intention to restrict my remarks as much as possible. I should like to deal at this time with just one matter which I raised in the house some time ago. I believe hon. members will recall that on April 25 last I had occasion to raise a grievance in the house with regard to certain alleged working and living conditions at Moosonee having to do with a contract being carried out by the Carter Construction Company.

I make no apology for the grievance I raised at that time. It was based on information which had been supplied to me by letter from a union representative and also through personal contact with men from my constituency who had worked at Moosonee and who reported on the conditions there when they returned to Timmins. However, on the day that the house recessed in July, I believe, I received a letter from the same Carter Construction Company which reads as follows:

> On April 25th last you commented on the floor of the house concerning a report that found publicity in several daily newspapers of Ontario, that had been made by Mr. Harry Hegge, a business agent for the carpenters union, regarding the working and living conditions on a project that we have under contract for Defence Construction Limited at Moosonee, Ontario. You might be interested to know that a contract has been signed between our company and the carpenters union for a period of one year on this project, and in the course of the contract negotiations, we brought to the attention of Mr. Andy Cooper, the national vice-president of the carpenters union, and Mr. Brodack, secretary of the carpenters local 1669 in Port Arthur that we resented these malicious and false statements that had been made by their union organizer, Mr. Hegge. I felt that, as you had taken the trouble to comment on this situation at Moosonee, it is only proper that you should have a copy of the letter of apology for your files wherein the union regrets the statements made by Mr. Hegge and states that they were "proven by investigation to be false and malicious".

Before I put this letter on the record in regard to this matter, I should like to deal with what happened in the interim between the time I raised this grievance in the house and the time I received this letter. Many of you may recall that conditions went from bad to worse and finally ended in a strike in this particular project. I am not sure of

the exact duration of the strike, but it lasted for some weeks and was finally settled by the agreement to which Mr. T. N. Carter referred in his letter. Enclosed is this copy of a very brief letter, and I quote:

Dear Sirs:

During our discussion with you concerning the above labour dispute, it was brought to our attention that statements made by our representative on the Moosonee project, Mr. Harry Hegge, that appeared in the various newspapers in southern Ontario, primarily the March 14 issue of the *Globe and Mail*, and also were quoted in *Hansard*, are for the most part wrong and grossly exaggerated, and were proven by investigation to be false and malicious statements.

I have found that the construction camp that you operate at Moosonee is well conducted and orderly and that the food being served the men is normal construction camp food, and that your camp is kept in a clean condition.

It is to our regret that our representative, Mr. Harry Hegge made these statements that have been so embarrassing to you.

Well, Mr. Chairman, needless to say I was rather shocked when I received this information. I was shocked particularly in view of the seriousness of the original charges and in view of the reports that had been given to me by men who had worked on this project. I also wondered if these statements were as false as they are now represented to be, and if so why had the situation deteriorated into a strike which in due course was settled. I made some inquiries and I was told that because of the fuss that was raised, both by the report and by my raising the matter in this house, the Carter Construction Company had been taken off the list of preferred contractors for defence projects, and in order to regain their status there must be some reply to these serious charges. I am told also that the strike at the camp was for $2.50 per hour in wages and the settlement was $2.85 an hour. This is the first time, to my knowledge, that any bargaining unit has gone on strike for a certain figure and has settled for a figure in excess of their demands. As I say, I am told that this was one of the conditions in order that the Carter Construction Company regained its previous status. They settled for 35 cents an hour more than was being requested, and in return received this letter of abject apology.

Now, Mr. Chairman, this is a rather shattering experience for any hon. member who in good faith raises a grievance on the floor of this House of Commons, then finds he has been undercut in this fashion. I think it is to the discredit of any trade union, be it the carpenters and joiners union or any other, to pull off a deal like this. I think they should be roundly condemned for doing so. I think this is something that we can do without in this country. Any trade union that will pull a thing like this, in my opinion, does not deserve much credit.

Mr. Weichel: Mr. Chairman, much could be said about the efforts of the Minister of Labour and his department in connection with unemployment and other problems. In taking part in this debate, I should like to point out the improvement shown in the twin cities of Kitchener and Waterloo since the first of the year and also the great benefits derived from the location of vocational and technical training schools there. The number of unemployed in these two cities, as well as other parts of the county, has dropped at a steady rate since January 1, 1961. This statement was made by the manager of the unemployment insurance office in Kitchener, and he added that the downward trend in unemployment has not hit bottom yet but should continue for some time as the economic situation brightens.

Construction workers made up the big portion of the unemployed, along with labourers, carpenters, painters, electricians, plumbers, cement finishers and plasterers. Millions of dollars worth of construction projects have been started and many others pending, and these are bound to have an effect on the employment situation. Amongst the projects which have made fine progress are the B.F. Goodrich new plant, the new brewery, and the new addition to St. Mary's Catholic hospital which will make this one of the finest hospitals in Canada.

Recently the Department of Labour announced the approval of technical and vocational school additions for the Eastwood collegiate in Kitchener and the Waterloo collegiate in Waterloo. These additions will be financed, as we know, by the dominion and provincial governments, the federal government bearing 75 per cent of the cost. This announcement, I am sure, was particularly approved by many of the citizens of my district. No doubt when they are completed they will be of great value to those who neglected to complete their education or, through other circumstances, were unable to take advantage of further schooling. I believe that these additions will provide work for many of our citizens.

I understand that nearly 70 per cent of the unmarried young people between the ages of 14 and 19 who are registered as jobless and living at home, have at least one parent working. In thinking of these young people I am led to commend the Minister of Labour and his department upon the introduction of measures concerning vocational and technical training which facilities have been increased to the extent of 50 per cent in Canada. The

federal government is to pay 75 per cent of the provincial contribution to the cost of these schools up to 1963. These young people living at home have a wonderful opportunity to improve their education and qualify for better positions and the security so necessary under modern conditions.

I hope that all people were able to read the statement recently made by our beloved Governor General in which he said:

> Young people who leave school prematurely are cutting themselves off from most of the opportunities available in our country. Now, as never before, Canada's progress and security depend on the educational level, technical knowledge and skill of her people. It seems inevitable that those who leave school before graduation will miss most of the opportunities available in our country. They will cut themselves off from the possibility of training in industry. They may have to face a lifetime of insecurity.

Recently, I read an editorial in my local newspaper the Elmira *Signet* written by R. S. Reid of the Kindersley *Clarion*. I should like to quote a part of it:

> It has been a tragedy in every age and it is a greater tragedy in ours that so many of our most promising young people voluntarily cripple themselves. Their enthusiasm for life, their urge to be independent and self-reliant, their appetite for adventure—the very qualities which fit them to earn a place among our most useful and successful citizens—lead them instead to throw away their greatest chance of fulfilling their destiny. Eager to become a part of the adult world, they leave school before they have acquired an education that would enable them to make use of their natural gifts. The tragedy is greater today because our modern technological world has so little use for the half-taught—and such a desperate need for men and women with a full, well rounded education. Figures recently released by the national employment service clearly show that a high school education is a must for any person who wants to be sure of holding a job in our modern society.
>
> Most young people must be aware, by this time, that the adult world is concerned about those who are unemployed in the nation. What they may not know is that persons with a less than grade 9 education form the greater part of the total of the unemployed.
>
> Automation does create more jobs than it eliminates, but the new jobs are skilled jobs. In far too many cases the persons displaced by automation are unable to step into the new job it creates because they lack the education needed as a basis for training in the new work.

Our Minister of Labour, in bringing about new technical and vocational schools across Canada, is doing a most important job for those unfortunate people who may not have had the opportunity or ambition to carry on their studies in their younger days.

As a young man coming back from world war I in a disabled condition, I fully realized that I had neglected one of the great assets of life—education. In order to prepare myself for the future I attended the vocational school offered by our government under the Department of Veterans Affairs, and later on attended night school for some years. Taking advantage of these opportunities has meant a great deal to me. May I say that such opportunities to attend vocational and technical schools are now offered to our young people by the government. As previously mentioned, Canada's progress and security depend upon the educational level, technical knowledge and skill of her people.

Today we are blessed with wonderful schools, colleges, universities and teachers who are ready and willing to bring that knowledge so essential to every boy and girl in this great country of ours. We have these additional vocational and technical schools, and a great majority of these unemployed young people between the ages of 14 and 19 years, along with others anxious to improve their education, should be impressed with these added facilities. These facilities will give them an opportunity to obtain an adequate education where they will have the chance of working up to the required income.

In concluding my remarks, Mr. Chairman, may I suggest that parents should take a greater interest in our youth. Yes, I know we supply them with the necessities of life, but after all that is only the materialistic side of things. What about the personal relationship of our boys and girls? No doubt we will admit that the basic education of any good citizen starts in the home, and there is no substitute for this first step in the over-all process. Like all proud parents, we expect much of our youth, and we must do so if our young country is to fulfil its ambitions.

Mr. Chairman, may I again commend the Minister of Labour and his department for their untiring efforts and impress upon all parents and others—indeed, upon all of us—that we have a very important part to play in the progress of Canada. One of these important efforts could be the encouraging of our youth, and others who neglected or did not have the opportunity of continuing their education, to attend these vocational and technical schools in order that they may provide for themselves a brighter future.

The Deputy Chairman: Order. I did not interrupt the hon. member earlier in his address because I did not know whether or not when he referred to the governor general, his reference was to the late governor general or our present beloved Governor General. I would appreciate it if the hon. member would inform the committee whether or not he was making reference to the present Governor General.

Mr. Weichel: The present Governor General, Mr. Chairman.

The Deputy Chairman: Then I must, upon reflection, concede that I should have interrupted the hon. member at that point to rule that any such reference or quotation would be out of order under our rules.

Mr. Weichel: I am sorry; I did not understand this, Mr. Chairman.

Mr. McMillan: Mr. Chairman, I had a call from one of the high officials of the city of Welland who told me that work was getting much slacker there at the present time. He said the number of unemployed was increasing, and no doubt the number drawing unemployment insurance will increase also.

So far this year there have been 1,090 welfare recipients, and the welfare paid out by the city of Welland has amounted to approximately $228,000. I do not give these figures to embarrass the government but because I wish to bring to the attention of the government some of the needs of the city of Welland and that area.

Welland does not seem to come within the category of the depressed area for double depreciation, according to the definition laid down by the government. Even so, Welland has had a great deal of unemployment for the last three or four years. There is a plant in Welland at the present time, Atlas Steel, that has a great expansion program in prospect. Consideration is being given by this company to a location for this expansion.

I understand that some high personages from other provinces have been in Welland offering certain definite considerations to Atlas Steel to locate in their respective provinces. No doubt one of the considerations offered has been that the plant will be located in an area where double depreciation would be allowed. Also rumours are prevalent there among these officials that another area in Ontario that is declared at the present time to be a depressed area eligible for double depreciation has been making a bid for this particular expansion program.

At the present time Welland is not in that category. I am informed that if they could receive more favourable treatment under the depressed area program there would be some likelihood of this plant staying in Welland. The minister told me today that as of now this plant would not get the double depreciation in Welland, while it could in these so-called depressed areas where double depreciation would apply. To me this seems rather discriminatory and unfair.

Mr. Starr: Mr. Chairman, I rise on a point of order. I am sure the hon. member for Welland does not wish to leave a wrong impression with the committee. He stated that I advised him that this plant would not receive double depreciation in Welland. The position is that Welland has not applied as a municipality for that designation. I am sure that if Welland applied for designation in a very simple way, perhaps by telegram or by letter, we would waste no time in looking at the situation to see whether Welland would qualify under the formula which has been set up, as some 19 municipalities and areas have already qualified. I do not want the impression to be left with the committee that Welland could not qualify. Welland has not applied in order to ascertain whether they could qualify or not.

Mr. McMillan: I am sorry, Mr. Chairman, if I left the wrong impression with the committee. I intended to come to this point later and say that the minister told me Welland had not applied. However, if a plant moved from one part of the country to another they would not be increasing the wealth of the country but would be removing the facilities for production from one part of the country to another. I know that the Department of Labour—the Minister of Labour—has been flexible in reaching decisions as to whether certain areas can be included in the category to be declared areas to which the double depreciation allowance will apply. We know, for example, that one area was declared to be qualified although it was not in existence at the beginning of the period covered by the formula. I refer to Elliot Lake. In other cases, too, the minister has shown a degree of flexibility. I spoke to the minister this morning and he said that if Welland were to send in an application it would be given every favourable consideration. I thank the minister for this. I have talked to the mayor of Welland, and he said he would apply immediately.

I would appeal to the minister to give Welland the same degree of favourable consideration as he has given to some other places. Welland has been seriously affected by unemployment problems and I should not like to see a company leave the area to build an extension in another location because of this double depreciation feature if that feature were in any way to be a deciding factor. Atlas Steel has been in Welland for a number of years. The people of the county of Welland have reason to be proud of the Atlas Steel Company and of Mr. De Young, the president, now president of the productivity council, his staff and the employees. We should all like to see them remain in Welland; we should all like to see the expansion program carried out at the site of the main plant. The people of Welland would not like to see them move to another location which might be more desirable from the point of view of taxation as a result of some action of the government.

In view of Welland's unemployment problem I again appeal to the minister and to the government not to let this happen.

Mr. Regier: I have assured a number of those who have made representations to me that I would raise this matter at this particular time. I do not intend to take more than a limited number of minutes. I want to begin by endorsing wholeheartedly the contention made this morning by the hon. member for Essex East when he said he felt sympathy for the Minister of Labour on his having to take all the blame for unemployment in our nation. I agree with the hon. gentleman's contention that the question of full employment ought to be the responsibility of the government as a whole. I say this even at a time when we have the Minister of Labour sitting across on the other side of the committee. I rather regret, also, that the minister of labour in the former Liberal government had to take upon his shoulders almost alone responsibility for the level of unemployment which then existed. As is apparent if we consider the organization of the Department of Labour and the specific responsibilities assigned to the Minister of Labour, he alone would be completely unable to do much about what is, in effect, a major national calamity—or at least it is to those who are unemployed.

In the past mention has been made by the government of the national productivity council and its work. The council has been referred to again today. I was interested to hear the reply which the minister gave to a question asked by the hon. member for Leeds this morning. Any organization set up by the government which has been given the heavy responsibility of recommending ways and means of causing our economy to expand to such an extent that unemployment is reduced to a reasonable level should, in my view, certainly have met more often than three times, and I hope the minister realizes that this is a matter of such great significance to the welfare of all the Canadian people. Three meetings over a period of many long months are far from sufficient. The council ought to be meeting morning, noon and night until it comes up with answers which will be acceptable to the government and to the people.

The particular complaint I have this afternoon is one in connection with which I feel the national productivity council could really assist the minister. I have here a complaint, a letter and a resolution passed by local union 1064 of the united steelworkers of America in Sydney, Nova Scotia. I am impressed by the reasonableness of the proposals made by this local union. They do not contend that there must be no readjustment in this industry in the Atlantic provinces. They do not even claim that the complete abolition of unemployment in the Atlantic region of Canada is possible. However, they do complain that the Avro company, which rules over the destinies of so many tens of thousand of Canadians, should be able to act in such an arbitrary and high-handed manner as it acts on occasion. They point out that more than 1,100 employees have been laid off at Dosco's Sydney steel plant, with a most recent lay-off of 606, including men who had been in the employ of the company since 1942. A resolution which was passed unanimously at a membership meeting urges that immediate steps be instituted by federal, provincial and municipal government heads to summon Avro officials to a meeting for the definite purpose of making commitments for the future of our economy. It may be that lay-offs are inevitable and that in the national interest they might, here and there, be the one and only thing that can be done. What these people are complaining about is the uncertainty. They are aware that Avro has plants in many parts of Canada and overseas, and they are unable to obtain from officials of Avro any indication how long they can reasonably expect to continue to be employed. It is in this regard that I should like to appeal to the minister to get his productivity council busy so that if there is to be relocation of either industry or labour, or both, these things may be arranged in an orderly manner, thereby averting the needless and unwarranted personal hardship which is imposed by decisions of a board of directors meeting, perhaps, in London, New York, Hamilton, Ontario, or elsewhere and deciding that it is in their interest to cause six or seven hundred men to be laid off, and having the power to pay no heed to the immediate effects that such an arbitrary decision must have on the lives of the individuals and of the communities in respect to a continuation of steady employment.

Our corporations are growing smaller, more powerful and limited in number. I feel the time has come when no Canadian corporation should be permitted to treat any individuals or community in the manner in which these people have been treated by those who own this plant. I am not contending that Dosco ought not to be expanded. I do not know why it should not be. If conditions warranted, perhaps Quebec, Nova Scotia and British Columbia could have plants to turn out our basic steel. However, as long as conditions continue as they are I believe the national productivity council,

the minister and indeed the government as a whole have the responsibility to ensure that individuals will not be dealt with arbitrarily as industries move from one area to another. The government should take steps to prevent arbitrary treatment such as that to which the people of Cape Breton island have been subjected over a period of several years.

(Translation):

Mr. Valade: Mr. Chairman, as I represent a riding where the working class makes up the greater part of the voters, I think I should at this point of our discussion of these estimates of the Department of Labour express the views of my voters, and therefore my own, with regard to unemployment.

Mr. Chairman, the word unemployment is in every Canadian citizen's mouth today, whether he is affected by unemployment or sincerely and loyally trying to work out some solution to alleviate as much as possible that social blight.

The causes of unemployment are many. It may be attributed partly to immigration, to automation, to the lack of primary industry in this country, however wealthy, to the lack of technical training among our fellow citizens, more particularly the young people, to incomplete education, or to the increase of the number of women workers on the labour market.

The causes may also be attributed to seasonal lay-offs as well as to seasonal unemployment or to competition on the world markets. Whatever the cause, Mr. Chairman, I think that unemployment is a blight which should be looked after with the greatest haste and care in order to avoid that certain revolutionary groups with communist leanings rouse the workers against established order, as they did before during the depression years, 30 years ago.

The right to work is a sacred right; nobody would deny to any person the exercise of his right to work, because it is a fundamental right. I know all hon. members, whatever their political affiliations, acknowledge this basic right. Now, if the workers have the right to work, I say that governments should look after the working class by taking the necessary steps to ensure that every individual who wants a job gets one.

Unemployment, Mr. Chairman, has often given rise to political controversies in this house, on the hustings, on television, on the radio and elsewhere. However, while we should not, on this side of the house, raise political issues in this respect, we cannot let go unanswered some more or less sincere remarks which opposition members like to voice in connection with unemployment. We cannot but, in all sincerity, honesty and loyalty, point out in this house, and to the whole Canadian people, everything this government has done to alleviate the effects of unemployment.

Everyone knows, Mr. Chairman, that the Conservative government has done much, in the few years it has been in power, to remedy the unemployment situation.

May I mention some measures which have been taken for the benefit not only of those who will read the newspapers, but also of some opposition members who stubbornly refuse to see what the Conservative government, aware of its responsibilities to the Canadian people, has done since it took office as far as unemployment is concerned.

As soon as it took over, this government carried out a considerable amount of public works in all municipalities which asked for them.

Obviously it was a remedy. It was not a measure intended to abolish or completely eliminate unemployment, but it was a definite and concrete measure. That winter works program caused a Liberal minister of the present provincial government in Quebec to say that there had been a reduction of about 48,000 in the number of unemployed, due to the implementation of the program.

It can be seen, therefore, that this Conservative administration due to the interest it showed in trade and the incentive it gave our domestic and international trade, as well as to the loans it granted small industries or businessmen, was quite successful in creating employment and opening new markets.

We should not forget also the absolutely concrete, logical and intelligent action of this government when it offered the provinces to contribute as much as 75 per cent of the cost of implementing a vocational training program for all workers wishing to use the benefits under the act. In fact, I was informed that in the province of Quebec, more than 3,000 workers availed themselves of these provisions, to the application of which the federal government contributes up to 75 per cent of the costs.

Mr. Chairman, the population and opposition members should be told of the considerable sums this government has put into the C.M.H.C. fund, for housing construction and

urban redevelopment. That initiative has greatly contributed to alleviating or checking unemployment.

Mr. Chairman, since the beginning of this debate, we have not heard a single opposition member explain the unemployment problem.

I would be tempted to deal with employment, but I feel that to find a solution to the problem, we must first consider the different types of unemployment and their causes. Those who have dealt with this problem in a somewhat more personal way have defined four types of unemployment.

Frictional unemployment results from defective functioning within the labour market. Incidentally, this type of unemployment may exist even at times of full employment and it is due to fluctuations among the various industries.

There is a second type known as cyclic unemployment, which is caused by the cycle of business, according to whether it proceeds slowly or at an accelerated pace.

There is also a third type known as seasonal unemployment which apparently is the nightmare of all northern countries.

There is, too, a fourth type of unemployment—technical unemployment. It is brought about, of course, by the introduction of new techniques into the industrial world.

Now, Mr. Chairman, it so happens that the riding I represent in this house is particularly striken by the three last types of unemployment: cyclic, seasonal and technical unemployment.

The present government has dealt with the problem arising from the fourth type, technical unemployment, and has suggested to the provinces ways and means of meeting this type of unemployment.

There is still seasonal unemployment, a situation that is to be found in all northern countries. We could obviously take more steps to lessen the effects of this category of unemployment; but, after all, it is due to nature.

Therefore, I believe there is an unemployment situation that should be called "general unemployment". It is due to a lack of cohesion in the distribution of the labour force. It is on this situation that I request the Minister of Labour (Mr. Starr) to get as soon as possible the necessary datas for economic planning, which involves a knowledge of labour demand in every industrial category, and the distribution of that demand according to the needs and the various categories of employees.

[Mr. Valade.]

Mr. Chairman, unemployment is not only—those words are not mine—a federal responsibility. Whatever its causes or reasons, unemployment is not only a federal responsibility; it is also the responsibility of the provincial and local administrations, and even that of the unions. The heads of each of those administrative levels should assume their responsibilities in order to restore full employment in this country.

We read every day in the papers reports of some labour disputes that are more or less fair or reasonable, but I fail to understand that in times of serious unemployment, labour and management cannot agree in order to prevent as many strikes as possible. Considering the frightening number of millions of working hours lost through those strikes, it is of the utmost importance to urge labour unions, union leaders, labour and management also to assume their responsibilities in this field.

Mr. Chairman, as I said earlier unemployment is not only a federal responsibility, but also a provincial one, and I am not the one who said so. In this respect, I should like to quote the statement made by the ephemeral leader, Hon. Jean Lesage, head of the Liberal party in Quebec.

Mr. Deschatelets: Hear, hear.

Mr. Valade: Mr. Chairman, judging by the applause, I think that the word ephemeral won the approval of the house; but it must be kept in mind that it means short-lived and that the Liberal leader will not last very long.

As I was just saying, the Liberal leader stated that unemployment is a provincial responsibility. Therefore, if we examine the current statistical data in the province of Quebec, and more especially those relating to unemployment in general, we find that it has declined everywhere in Canada, except in the province of Quebec, where it has increased in the last six months.

Therefore, we would ask the provincial government which declared that unemployment is a provincial responsibility to carry out its election promises and to set up a program to reduce the unemployment which prevails in the province of Quebec at the present time.

Every week, electors come to my office by the hundreds to tell me that Mr. Lesage, the premier of Quebec, has promised and even sworn that he would solve the problem of unemployment in the province. Yet, they

say, he is the first one to fire us from the jobs we hold with the provincial government.

If that is how some premiers intend to assume their responsibilities concerning unemployment, I call on the people to sweep the Liberals out of office, as they did in Ottawa, and we will take their place and strive to take efficient steps to fight unemployment.

Mr. Chairman, I should like to make a few suggestions to relieve somewhat the unemployment which the Quebec provincial branch of the Liberal party ignores, and even to put an end to it in my province and in the constituency I represent.

I wonder if the Minister of Labour could not, in co-operation with the city of Montreal, undertake a huge project such as the construction of a scenic route all around the island of Montreal. As everybody knows, Canada's metropolis offers great advantages from the points of view of aesthetics, culture and education. In my opinion, we have somewhat neglected, until now, to develop Montreal's natural advantages. Consequently, I would ask the minister to discuss this matter with his colleagues so as to come to an agreement concerning a winter works project such as the construction of a scenic route around the city of Montreal, to reduce unemployment.

Moreover, as another way of creating jobs for the unemployed in the Montreal area, I wonder if the Minister of Labour could not, once more, co-operate with his colleague the Minister of Public Works and have a tunnel built under the St. Lawrence, in order to improve communications between Montreal and the south shore.

Also, Mr. Chairman, in order again to create jobs and reduce unemployment, which has become a serious problem in the province of Quebec since the Liberals have taken over, I would suggest to the minister to speed up large scale town redevelopment, so far as housing in Montreal is concerned.

Mr. Chairman, some time ago responsible persons made a study of the unemployment problem. I did not say that the former government should be blamed for it, nor should we now be. I did not say either that the provincial Liberal party was responsible, although some members of the opposition may be oversensitive on that issue since their election campaign is being turned against them.

With your permission, Mr. Chairman, I should like to quote a paragraph on future prospects in Canada:

> There is evidence that the recession in the regular business cycle is coming to an end and that an economic recovery is appearing. The recovery factors have been operating for several months in the United States and, if they go on, they will spur a business readjustment in Canada in the months ahead. It is to be expected that such an improvement will contribute to increase employment and, as a result, reduce unemployment. It is essential that this expansion be facilitated and supported by proper fiscal and monetary measures. In order to encourage the expansion of business transactions, it will be necessary, in particular, to increase the credits available.

Mr. Chairman, that is precisely what this Conservative government has done in the way of unemployment prevention, something the Liberals have always tried to prevent us from doing. Because we increased the housing money supply, members of the opposition called out that we were overloading the government's budget. When we wanted to make ready money available to industry and business, again, members of the opposition protested that we chose to uphold Mr. Coyne's destructive policies instead of promoting a normal and realistic economic expansion which would procure employment in this country.

But this is not from me, Mr. Chairman. If our good friends, who are a little ill at ease because of these arguments, would read the report of the Senate special committee on manpower and employment that was published on June 14, 1961, where the Liberal senators had majority, they will find that this Senate committee with a Liberal majority has just approved the very methods used by this government to fight unemployment.

Well, Mr. Chairman, if our friends want to be sincere and honest, they will admit that this government has done more than any previous government to fight unemployment. If they are not satisfied with that, let them ask their leader, Premier Lesage of Quebec, to do more than we have, because he has done nothing up to now.

Before I conclude my remarks, Mr. Chairman, I should like to correct certain statements made here this afternoon, especially by the hon. member for Bonavista-Twillingate (Mr. Pickersgill), to the effect that we never had so many unemployed as today, if I understood him correctly.

Well, Mr. Chairman, I have here the Montreal *Star* of September 19, 1961, where we read that in August, 1960, the number of unemployed, in thousands, was 352, and in August 1961, 323. This is a decrease of 29,000.

I wonder where the hon. member for Bonavista-Twillingate could possibly have

picked up his statistics. As the hon. member for Brome-Missisquoi (Mr. Grafftey) would probably put it, most likely from Martin's bureau of statistics; but I prefer to rely on those of the dominion bureau of statistics.

Mr. Chairman, I certainly would have more remarks to make, more particularly in regard to female workers on the labour market. From 1949 to 1959, the labour market has shown a 43 per cent increase in the number of female workers. Of course, always according to those statistics, it is said that most female workers are married. Well, that is a problem which we shall have to consider carefully, but, in my opinion, female workers contribute to the increase in unemployment among married men.

Therefore, I would ask the minister to take into consideration those few remarks I have just made, and at the same time I would ask our Liberal friends to be a little more serious and less politically-minded when they talk about unemployment.

(Text):

Mr. Pickersgill: Mr. Chairman, I felt I should wait until the hon. member for St. Mary had concluded before pointing out to him that I think he misunderstood what I said. What I said was that month for month in no year since 1957 has unemployment been as low as it was in 1957. I have all the figures right here in my hand. They are not from newspapers or anything else, but from the bureau of statistics. I will give the bureau of statistics figures for the month of August in the years from 1957 on. This is the labour force survey of persons without jobs and seeking work. In August, 1957 the number was 174,000; in August, 1958, 281,000; in August, 1959, 239,000; in August, 1960, 322,000, and in August of 1961, according to the latest release, 301,000.

Mr. More: How many were working?

Mr. Pickersgill: That is not the point that was being discussed. I am merely correcting a point that the hon. member raised but since the question has been asked I will answer it. The proportion of the total population employed—

Mr. More: How many were working?

Mr. Pickersgill: Perhaps the hon. member would just listen to the answer to his question. The percentage of the total population employed was higher in every month in 1957 than it has been in the corresponding months in any year since.

[Mr. Valade.]

Mr. Valade: Mr. Chairman, I have to correct an experienced member of the house, the hon. member for Bonavista-Twillingate. He said that in 1957 the number of people employed was higher than ever before. Am I correct?

Mr. Pickersgill: No, I did not say any such thing. What I said was that the number of persons unemployed was lower in each month of 1957 than it has been in the corresponding month in any year since. I gave the figures for the month of August and I am quite prepared to give them for any other month if the committee wants them. These are dominion bureau of statistics figures. I also made the assertion that the percentage of the total population which was employed was higher in each month of 1957 than it has been in the corresponding months of any year since.

Mr. Valade: If the corresponding numbers in each month were better, then I suppose the corresponding average for the year would be better than in any year before; otherwise the premise of the member would be false and would lead to a fallacy, which I do not doubt it is. I have here the report of the Senate committee on manpower and I should like to refer the hon. member for Bonavista-Twillingate to it. There have never been so many people employed in Canada as there are today. In 1950 there were 5,163,000 people employed, while in 1960 there were 6,403,000.

If I follow the argument of the hon. member for Bonavista-Twillingate, then the average is much lower in 1956 than in 1957. If I have the correct figures here, then it is also less in 1951, 1952 and 1953, perhaps because of the Korean war. I think the hon. member for Bonavista-Twillingate should refer to this report of the Senate committee on manpower.

Mr. Pickersgill: I cannot allow those figures to go unchallenged. We know, of course, that practically every year there have been more people employed than the year before because we have a lot more people. What I was talking about was the percentage, and I think my statement will stand.

Mr. Carter: The latest figures released by the Department of Labour, in conjunction with the dominion bureau of statistics, show a slight improvement in the unemployment situation. The report for the week ended August 19 indicates that unemployment declined by an estimated 31,000. This stands out in sharp contrast to the figures for the Atlantic region where unemployment in-

creased by about 12,000. It seems, therefore, that despite all the encouragement we may get from the over-all picture as contained in this report to which I have just referred, it nevertheless appears that unemployment is still our most pressing domestic problem and is likely to continue so for some time to come.

I must confess that I was greatly impressed by the sharp contrast in viewpoint concerning unemployment between the hon. member for St. Mary and the Associate Minister of National Defence. The hon. member for St. Mary, who represents a workers' riding, still maintains, as we do, that unemployment is a very serious problem. No matter from what angle we may look at it, unemployment is a tragedy. It is a tragedy of human suffering. It is a tragedy of economic waste, of potential wealth, and a tragic waste of human skills and talents. This tragedy is heightened all the more when we see so many of the needs we have here in Canada and in the world which are still waiting to be filled.

Now, everybody seems to have some plan for solving this tremendous problem. The government called us together last November and announced a program for a massive assault on the unemployment problem. To facilitate that program, we of the opposition elected to forgo the time traditionally allocated to the speech from the throne. The minister, in the presentation of his estimates last March, referred to some of these measures and today the hon. member for Essex East put on the record a number of other proposals for our party. There are some who maintain that it is up to the government to solve this problem, that the government has the sole responsibility for finding jobs for people.

Personally, I cannot subscribe to this philosophy because it is not compatible with individual freedom. We have many lessons from history which indicate that when people are prepared to forgo or to sacrifice that responsibility and trade their freedom for security or for work, then the result has always been tyranny. I think it is reasonable to expect that if we adopt this kind of thinking, history is bound to repeat itself.

Mr. Chairman, may I call it six o'clock?

Progress reported.

BUSINESS OF THE HOUSE

Mr. Pickersgill: I wonder if the house leader could indicate the order of business expected for the next two days and if he could give us any enlightenment about Saturday, as I think it might be helpful to all hon. members. I hope it will be lightened.

Mr. Churchill: The enlightenment about Saturday will depend on the enlightenment the house offers to me tomorrow about the progress of business. We will settle that tomorrow. Thursday, we will continue with the estimates of the Department of Labour, followed by the Department of National Health and Welfare. Then on Friday, in response to a number of requests, the following arrangement has been agreed upon: We will interrupt the study of the estimates on Friday to deal with the resolution concerning fitness and amateur sports on the understanding that Monday and Tuesday, which normally are for legislation, may be used for estimates if we so desire, on the same basis as last week, moving into supply without a debate or amendment. This has already been agreed through the normal channels, and if it is satisfactory Friday's business will commence with the resolution stage of the bill pertaining to fitness and amateur sport. If it is finished in good time on Friday we will revert to the estimates of the Department of National Health and Welfare. That carries us into Thursday and Friday, and tomorrow we will make a decision with regard to Saturday. If things move very quickly the third department to be considered will be national revenue.

Mr. Pickersgill: I take it that the other two departments mentioned by the Minister of National Health and Welfare last night will follow if there is an opportunity.

Mr. Churchill: Yes, privy council and legislation.

The Acting Speaker (Mr. Chown): Is the house agreed that on Monday next we will move into supply without a motion?

Some hon. Members: Agreed.

Mr. Pickersgill: Provided the government asks for it.

The Acting Speaker (Mr. Chown): Provided the government asks for it?

Mr. Pickersgill: Yes.

The Acting Speaker (Mr. Chown): It is so ordered, for Monday and Tuesday next.

Mr. Churchill: That is, we will move into supply without debate or amendment on the motion to move into supply.

Mr. Pickersgill: That is clearly understood.

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

HOUSE OF COMMONS

Thursday, September 21, 1961

The house met at 11 a.m.

PRIVILEGE

MR. REGNIER—PROTEST AGAINST PROCEDURE RESPECTING BILL NO. C-129

Mr. Laurier Regnier (St. Boniface): Mr. Speaker, I wish to protest against the way in which certain matters have been handled in this house. I refer to Bill No. C-129, which was dealt with on Monday, the number of which is written in on my copy by pen.

I was able to secure a copy of this measure only after the bill was passed. I happened to be five minutes late at the sitting which commenced at 7.30 on Monday evening. At the resolution stage I was the only one who questioned the transfer of the school lands by the federal government to the province of Manitoba. Under the British North America Act of 1930 public lands were transferred to the province of Manitoba, but school lands were reserved. If we look at the Dominion Lands Act, Revised Statutes of Canada, 1927, chapter 113, we find that section 40 reads as follows—

Mr. Speaker: Order. I understand the hon. member is rising on a question of privilege relating to some proceeding of the house which took place on Monday. This is Thursday. I am not sure what the hon. member's complaint is. Certainly it is not clear yet that he is entitled to discuss substantive matters of debate on a question of privilege. If there was some proceeding that the hon. member felt was irregular of course he should have drawn attention to it at the time. If he was not here and could not do so I shall be glad to hear him now, but I think he should come to the point of what is his objection to the proceeding.

Mr. Regnier: Very well; I shall be glad to elucidate this point as well. It was only by reading *La Presse* of Montreal yesterday afternoon that I found that the bill had been passed. I had been looking at the order paper every day and checking. I have been attentive to my duties in the house. I was five minutes late on Monday, and during those five minutes the bill was read three times. Here is what *La Presse* said about the manner in which the bill went through:

(Translation):

In less than 10 minutes, the house had approved the preliminary resolution and read the bill three times. Usually, only the first reading is done the same day.

90205-6—545

(Text):

Here is what the *Free Press* said.

Mr. Speaker: Order. I am sorry, but I am interested only in what the hon. member says, not in what the papers say about our proceedings. In fact it is irregular to read criticisms from the press of what members do in the house.

Mr. Regnier: Well, Mr. Speaker, my objection is first that the bill never appeared on the order paper.

Some hon. Members: Oh, yes.

Mr. Regnier: I challenge anyone to bring me an order paper which has any reference to the bill in it. The resolution appeared on the order paper; the bill did not. I have been checking it. Second, according to the chairman of the committee of the whole to whom I complained and who made a note of the time, the three readings were given in 3 minutes and 30 seconds.

An hon. Member: Co-operation.

Mr. Regnier: Mr. Speaker, this was done on Monday evening. Usually it takes at least five minutes to get a quorum of 20 members together. I believe I was in the chamber within the five minutes, and it never dawned on me that this bill had been discussed and read three times. As a matter of fact, Mr. Speaker, I spoke to the parliamentary secretary to the Minister of Finance and asked him if the agreement had been tabled. He said, "Yes, but I think you can get a copy". I called for a copy and obtained one in French, but the parliamentary secretary never put me wise to the fact that the matter had been disposed of.

Mr. Bell (Carleton): I thought the hon. gentleman knew.

Mr. Regnier: When I came into the house, Mr. Speaker, I saw an expression on the faces of certain hon. members which seemed to indicate that I might be carrying a bomb in my pocket. This is not only a criticism of the government but a criticism especially of the official opposition, whose duty it is to protect the rights of parliament.

Mr. Speaker: I have every sympathy with the hon. member, who apparently intended to take part in a debate which occurred while he was absent, but I have the record of the proceedings before me and while it is true that the house moved very fast in this case, it moved by unanimous consent and in the regular way according to our procedure. One can

only hope that the hon. member will find another opportunity to expound the views which he was not able to express on that occasion.

Mr. Regnier: With deference, I should like to say that I had served notice on the chairman of the committee that I was interested in the agreement and was going to deal with it. I criticized the agreement without knowing what the agreement was, and I happened to be right. In addition—

Mr. Speaker: Order. In the absence of any irregularity in our proceedings, I think the hon. member will have to await another opportunity to express his views.

UNITED NATIONS

RED CHINA—CANADIAN ATTITUDE RESPECTING RECOGNITION

On the orders of the day:

Hon. Paul Martin (Essex East): Mr. Speaker, I should like to ask the Prime Minister a question arising out of the reply he made yesterday to the hon. member for Kootenay West when asked a question regarding the admission to the United Nations of the communist Chinese People's Republic. In view of the reply made by the Prime Minister, are we to assume that it is no longer government policy, as stated by the Prime Minister in the house on November 1, 1957, that there can be no recognition of communist China until the communist government of China expiates its wrongdoing under international law?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I think the hon. gentleman is somewhat mixed up; I put it in that way. I was referring to the question of admission to the United Nations or what action might be taken by the United Nations, which is quite a different matter, as he knows, from the question of recognition.

NUCLEAR ENERGY

STATEMENT AS TO WORLD SYSTEM OF SAMPLING RADIOACTIVITY

On the orders of the day:

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, while I am on my feet I might answer the question raised by the hon. member for Essex East yesterday as found at page 8590 of *Hansard* and which was in these words:

> Is either hon. gentleman in a position to say whether or not all nations in the United Nations are now co-operating in the world wide attempt to provide an adequate and accurate system of sampling radioactivity as a result of these explosions?

At the 14th session of the general assembly in 1959 an international program for the co-operative study of fall-out levels around the world was initiated as a result of Canadian leadership. Under that program countries which had the technical experience and the laboratory experience to carry out analyses of radioactive fall-out levels were asked to offer to countries not similarly equipped to undertake the analysis of samples collected in the territories of the latter in accordance with the program of work of UNSCEAR, the United Nations scientific committee on the effects of atomic radiation, of which Canada is an active member.

In addition to its active sponsorship of the resolution, Canada made an offer to carry out analyses of soil, food and bone samples collected in other countries. The governments of at least 14 other countries—I can name them if the hon. gentleman desires—as well as the international atomic energy agency and the world health organization have made similar offers. Accordingly, it is now possible for all countries in the world to obtain scientific data on the levels of radioactivity within their territories. Moreover, since 1959 there has been a marked increase in the number of member countries supplying UNSCEAR with data on radioactive levels.

Four countries, Burma, Malaya, Ghana and Pakistan, have so far indicated a desire to avail themselves of the Canadian offer, and the first samples collected in these countries are expected to be received in Canada shortly.

AIR TRANSPORT

C.P.A.—APPROVAL OF FLIGHT FROM WESTERN CANADA TO LONDON

On the orders of the day:

Hon. Lionel Chevrier (Laurier): May I direct a question to the Minister of Transport, and ask him if the British government has yet given its approval to the new air route from western Canada to London announced by the minister on behalf of C.P.A., and whether the consultations to which the minister referred some time ago when I asked him a similar question have been concluded.

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, the answer to the first part of the question is no, and the answer to the second part is that discussions are still continuing.

FLOODS

MANITOBA—INQUIRY AS TO AGREEMENT ON RED RIVER CONTROL PLAN

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): May I ask the Minister of Northern Affairs and National Resources whether the government has yet been able to reach agreement with the government of Manitoba on Red river flood control?

Hon. W. G. Dinsdale (Minister of Northern Affairs and National Resources): We are proceeding very happily in our negotiations, and when there is anything to announce we shall make the announcement in the house.

TELEVISION

RIMOUSKI—APPLICATION FOR SATELLITE STATION

On the orders of the day:

Mr. H. J. Robichaud (Gloucester): May I inquire of the parliamentary secretary, in the absence of the Minister of National Revenue, whether he is in a position to answer a question I asked on September 13 and again on the 14th, in connection with the erection of a satellite station to serve Madawaska and Victoria counties?

Mr. M. J. A. Lambert (Parliamentary Secretary to the Minister of National Revenue): Yes, Mr. Speaker. That recommendation, along with others, is being processed and an announcement will be made in due course.

SUPPLY

The house in committee of supply, Mr. Chown in the chair.

DEPARTMENT OF LABOUR

178. Departmental administration including a grant of $10,000 to Frontier College and the expenses of the international labour conferences, $1,373,104.

Mr. Carter: Mr. Chairman, when the house rose yesterday at six o'clock I had referred to the seriousness of the unemployment problem and had proceeded to deal with certain ideas that had been put forward to solve it.

The Deputy Chairman: Order. I am having a little difficulty in hearing the hon. member because there is some undercurrent of conversation in the committee. I wonder if we could quieten down so the hon. member can receive a proper hearing.

Mr. Carter: I had pointed out that there are some who hold that the responsibility for providing jobs rests solely with the government, and with nobody else. I maintained that this concept of making people employees of the state was not compatible with the concept of individual freedom, and that history had proven on more than one occasion that such a course leads only to dictatorship and tyranny.

There are some who feel that productivity is the answer. If we are going to examine this question I think we must ask ourselves exactly what we mean by productivity. If we mean an increase in over-all production, there is then some validity in this proposal. However, I think we must realize that its effectiveness will in large measure depend upon having markets for the increased production. We must also remember that productivity is synonymous with efficiency. We think of it in terms of more output per man hour. While this might improve our trading position and also the unemployment situation indirectly by enabling us to compete with foreign countries, both in our domestic markets and abroad, yet from this standpoint productivity is not likely to create many new jobs.

There are others who say that the answer to unemployment lies in greater emphasis on manufacturing, and particularly in expansion in the manufacturing of our primary products. I am sure this proposal will find a great deal of sympathy not only in this committee but throughout Canada, as manufacturing is lagging too far behind other industries in Canada. But here again we must realize the limitations of this proposal. It overlooks the handicap that we in Canada are under because our population is far too small to enable us to have the benefits of mass production. Hence an expansion in manufacturing can take place only behind a huge wall of tariff protection. This proposal also disregards our trading position. We produce many primary products which we cannot consume at home and which we must sell abroad. In order to sell abroad we must buy from other countries. This proposal also disregards the necessity for expanding the development of those areas which are dependent upon resource industries.

Still others have put forward the idea that the answer to our unemployment problem is increased capital investment, and probably this affords the best answer. But here also we must take account of the fact that if Canadians have the necessary capital, they are unwilling or reluctant to risk it in the development of our country. If Canadians will not provide the extra capital we require, we must be prepared to accept foreign capital and even to encourage it.

The truth is that there is no single cause of unemployment; therefore there is no single

cure. We must explore every avenue and exploit every opportunity to the fullest possible degree. While I said that government does not have all the responsibility for curing unemployment, that does not mean that government has not some responsibility. In fact government has a great deal of responsibility in this field, as many hon. members have pointed out. The chief responsibility of government to my mind is to create the kind of climate in which our free enterprise system can fulfil its normal functions. In order to do this the government has to provide proper incentives through sound fiscal and monetary policy. The government also has responsibility for providing wise and courageous leadership so as to inspire confidence at home and abroad; because while confidence may be something intangible it is nevertheless an important factor in helping to solve our unemployment problem.

The present government have already taken some measures to deal with our unemployment difficulties, and I wish to commend them most of all on their program of vocational training. I think we all realize that this is a long term program and that it cannot be expected to produce any immediate results. However, it is a necessary program, and no doubt it will bear fruit in due course. The government's retraining program will, perhaps, be less effective, because here we are dealing with people of an age where they are handicapped by mental attitudes which are not conducive to training of this kind. In many cases the men concerned are anchored to specific localities; everything they have is there, and they are unable to pull up their stakes and move elsewhere.

As far as the monetary policies of the government are concerned, the incentives so far have not proved effective in dealing with the problem in the underdeveloped areas of Canada. The figures for the Atlantic region referred to yesterday bear out this contention. Programs of public works are perhaps among the least effective measures which governments can undertake in order to alleviate unemployment. Only a few days ago I read an article in which it was pointed out that the Canso causeway cost around $23 million in public investment, yet provided jobs for only 150 to 200 persons. So much of our work today is done by mechanical means that this is the pattern we must expect. We shall not create the same ratio of jobs for public moneys out of public works projects as we might in other ways. This observation applies also to some extent to the winter works program. I very often feel that the winter works program looks better on paper than it really is.

Mr. Martin (Essex East): Hear, hear.

Mr. Starr: Did you say "hooray"?

Mr. Carter: It reduces the number of unemployed for a specific period and makes the unemployment picture look better, but I feel that very often this is done at the expense of using up jobs which would become available later in the year in the normal course of events, when the work could be done more effectively and at lower cost to the taxpayer.

I think we should realize also that not only the government but industry has its share of responsibility with respect to unemployment. It seems to me that Canadian industry is too concerned with protecting capital investment and maintaining profits to play an effective role in solving this problem. I feel that Canadian industry is too prone to take the line of least resistance, to pass responsibility on to the government or to run to the government for protection whenever the going gets a bit hard. Industry in Canada must realize that freedom is only one side of the coin; the other side is responsibility. If freedom is lost, the capital investment and the dividends will go along with it. I think that contention has been borne out by what we have seen happening in Cuba, which is practically in our back yard.

Not only government and industry but labour as well must bear a full share of responsibility for seeking to solve this problem. In particular, labour has the responsibility of giving the maximum return for the wage dollar and for putting forward, whenever possible, ideas concerning ways in which management can effect savings and increase efficiency. In addition, labour has the responsibility for not making demands without having regard to the effect of such demands on other sectors of the population and on the economy as a whole. Certainly, both labour and management must realize that the welfare of each is bound up with the welfare of the other. They must learn to co-operate, because our country cannot afford a conflict between capital and labour. They must work together not only to prosper but to survive.

I think we all realize that we cannot solve this problem by pointing the finger at each other or by trying to fix the blame on each other. We must recognize that unemployment presents us with a tremendous problem and that "the fault is not in our stars" but in ourselves. No matter what measures are taken by the government, by industry or by labour, they will not work unless a determined effort is put forward to make them work. The human factor is all important, and we must

make a definite and determined effort to improve human relationships at all levels. Anyone who exploits difficulties in human relationships in order to cause friction is not only an enemy of Canada but an enemy of freedom.

Before I close I want to bring to the minister's attention once again a problem which I have already mentioned in this house on several occasions. If I remember correctly the minister promised that he would look into this, but my latest inquiries show that nothing has been done to date. I refer to the system by which government employees in the various maritime provinces are paid. I know that the minister's department maintains an office in St. John's where there is an employee who collects figures as to prevailing rates in different parts of the province. The rates paid by the government are based largely on the figures gathered by this employee on the advice he gets from the sources he consults.

I want to point out to the minister once again that the samples which this office collects are taken from too small an area. In fact I think we should not have differences of pay as between the maritime provinces, but that we should regard them as one single area and make the same rates of pay for government employees prevail throughout the whole Atlantic region. It seems to me preposterous that a person working on a ship, doing the same work as his colleagues and working in the same area, should receive less pay because, for example, he was recruited in Newfoundland. Yet men recruited in Newfoundland get one rate of pay, those recruited in Nova Scotia get another, and those recruited in Quebec get still another.

That situation prevails on the boats operated by the hydrographic survey branch, on the icebreakers operated by the Department of Transport, and on other ships. These ships are doing the same work, are interchangeable and move from one area to the other. I feel there is a great injustice—one could almost call it discrimination—resulting from the system of prevailing rates which the government uses in calculating the wages of these employees. I urge the minister to take action with respect to this problem. I suggest that the only equitable way of dealing with it is to establish a standard scale of wages to apply throughout the whole maritime area.

Mr. McGrath: Mr. Chairman, before the hon. member takes his seat I think it right that I should point out for the record that the problem of the rates of pay for Newfoundland seamen on Canadian government ships is now receiving active study and consideration, at least in the Department of Transport, with a view to having the rates adjusted to put these men on a more equitable basis with their counterparts in the other maritime provinces.

Mr. Carter: I am glad to have that information from my hon. friend, but I wish to point out that in addition to the Department of Transport being involved the problem extends to the Department of Mines and Technical Surveys, the Department of Fisheries and even to the customs branch, which operates some ships. The problem is not confined only to people employed on the ships, but applies also to those who work in other fields. We should have a general policy for the maritime area with regard to government employees, under which we would give them equal pay for equal work.

Mr. Morris: Mr. Chairman, during the course of his remarks on an earlier occasion in the discussion of this item the hon. member for Skeena introduced questions arising out of the wages paid prevailing rates employees in H.M.C. *Dockyard,* Halifax. It is well known that hon. members are occasionally required to be away from the chamber and that was my position when the hon. gentleman was speaking of these matters. I note that the hon. member who raised the subject has himself just been called from the chamber. It is ironic that while the hon. member was presenting the situation to the committee with something less than accuracy I was meeting with representatives of the Department of National Defence on the question. Because it is a matter that relates to the area represented in this chamber by the taller hon. member for Halifax and myself, I feel perhaps I should say a few words concerning it.

The question of the wages paid prevailing rates employees in H.M.C. *Dockyard,* Halifax, I suggest is not one which should be exacerbated by inaccuracies on the part of people who are not acquainted with the area nor fully knowledgeable with respect to the matter and, indeed, whose motivation might appear to be more related to a partisan attitude than one of true interest in the welfare of the workmen involved. There were major inaccuracies in the statement offered to the committee by the hon. member for Skeena. I do not wish at any time to confine myself to a simple denial of inaccuracies emanating from an hon. gentleman who it perhaps would not be realistic to expect to be accurate.

I cannot refrain from commenting that it was a source of amazement to me that the hon. member for Skeena, British Columbia, should find it desirable to speak in this chamber about a problem that obtains at the other end of the country, when surely there are problems in the area from which he

comes to which he might more usefully attend. However, this is happily a free country, and it is wholly within the prerogative of any hon. member to raise in this chamber a matter of consequence to any constituency in Canada.

I do not deny the seriousness of the situation in the dockyard, but I feel I owe it to my constituents to place on the record a more accurate version of the situation, and perhaps hon. members of the committee will consider it useful that I do so. I might say that these facts are all known to the Minister of Labour whose estimates are now before us. Only 72 hours have elapsed since I last spoke to him about this question. The minister is personally familiar with the inaccurate references in which the hon. member for Skeena indulged.

For instance, the hon. gentleman said there have been occasional walkouts at the dockyard in Halifax. If this were true, and I hasten to say it is not, it would be a matter of concern to all hon. members, because the dockyard there is now the abode of two thirds of the ships, officers and men of the Royal Canadian Navy. At a time when hon. members of all parties have acknowledged the gravity of the international situation it would be a matter of consequence if workmen in this area were engaging in itinerant walkouts. There has been none at the dockyard.

I am not suggesting that the workmen at the dockyard should be denied or should deny themselves any rights to which they feel entitled, but when a misstatement of fact has been made it requires immediate correction. The men have not walked out. Occasional union meetings have been held, but the men have not walked off the job in the dockyard. I for one, and my colleague from Halifax for another, are doing everything in our power to bring about a situation in which the men there will find it not in their interest to take steps of the kind referred to.

Among other things, the hon. gentleman said yesterday that there used to be an arrangement for starred rate differentials for extra skills. That arrangement still exists. Dockyard employees in certain trades and skills receive a starred differential of 5 cents an hour over shipyard rates.

The hon. member suggested that the interdepartmental committee meets in secret. The committee occasionally meets in Ottawa and has done so with increasing frequency in the last few weeks. It has to meet here in an effort to settle the employees' demands. Men are available to come to Ottawa at any time. Last evening I was speaking by long distance telephone to one of the representatives of the employees. I have done this practically every day for the last ten days. They are available to come here and are anxious to co-operate in settling the matter. They were here three weeks ago and are eager to come again to any meeting which might be useful. The interdepartmental committee did not meet in secret when it met in Halifax. It met with representatives of the men and heard their wage demands.

What is the background of the current request of prevailing rates trades in H.M.C. *Dockyard*, Halifax, for an increase in wages? It was in the apparent interest of dockyard prevailing rates employees in the past to be identified for pay purposes with comparable trades in the private shipbuilding and repair industry. Although we have great confidence that the recent shipbuilding construction assistance program announced by the Minister of Transport will bring about a useful change in this area, over recent years it has been possible for contracting companies and their representatives to negotiate wage agreements with their employees that have been more favourable than those that have been negotiated by shipyards workers' representatives. So that historically in the past dockyard employees found it apparently in their interest to be identified with shipyard wages.

Now they do not. When it was in their interest they wanted to be identified with shipyard rates. Now that it is not in their apparent interest they do not want to be identified with shipyard rates. We can all understand this; we can all understand they would want to move to a higher wage level with which they could compare their wages. There is no secret about the prevailing rates policy. Essentially it means that prevailing rates employees in H.M.C. *Dockyard*, Halifax, are identified with comparable shipyards trades.

Well, as I have said, over a period of years in the past they found this in their interest. Now they do not; therefore they want to move away from it, but the government policy is to identify dockyard employees with shipyard rates. I point out that it does this not only in the Halifax dockyard but also in Esquimalt; therefore any change in this policy must be one that affects both Halifax and Esquimalt. It is understandable that the prevailing rates trades in H.M.C. *Dockyard*, Halifax, would want to move away from what they consider to be lower comparable shipyards rates. What they are asking for is a fundamental change in government policy.

The hon. member who spoke yesterday, the itinerant British Columbian who came in here with his inaccuracies, asserted that simply because the government has not immediately accepted the whole demand of the prevailing

rates employees it is procrastinating, nefarious, or doing something that is against the workers' interest. I venture the opinion that I am at least as well informed about the dockyard employees in the Halifax area as is the hon. member for Skeena. I had better be. I have met with them at times when they were drafting reports to government. I have talked to them on regular occasions in the dockyard, and I am in constant and daily communication with their representatives in the present circumstances.

The hon. member for Skeena did not find it possible yesterday to mention that the dockyard prevailing rate employees were just granted a 6 cents an hour increase, 3 cents of which was retroactive for a full 12 months. This 6 cents an hour increase did not satisfy the dockyard workers in Halifax. It did not satisfy them because it simply retained the adhesion of dockyard rates to shipyards rates. I understand that, but they have had a 6 cents increase as a way toward full justice. It is asserted that there is no apparent solution to the problem. The hon. gentleman said at page 8610 of *Hansard*:

> No action has been taken toward a solution, nor is there any indication that a solution will be arrived at.

After the meeting with the workmen in Halifax, the interdepartmental committee reported last April to treasury board, and treasury board decided against the application of dockyard employees in Halifax for increased wages. This was disappointing to the workmen; in many instances it was inflammatory to them. That is not unreasonable with respect to men who apply for wage increases when they do not get them immediately, and do not get all of them. This does not mean that a workman can reasonably go out and accuse the man who refuses it of being a blackguard or a procrastinator. What happened was that the men did not satisfy treasury board of the adequacy of their case. There was no secrecy about the treasury board ruling in this matter.

I invited the representatives of the seven prevailing rates locals in H.M.C. *Dockyard* to come to Ottawa. They said they were prepared to do that and are now prepared to do it with responsible and reasonable action. I invited them to come to Ottawa and I personally told them of the treasury board decision and the reasons for it, in a room in this very House of Commons. As one of their two members I would have been glad to give them happier information; we would all be glad to see our people get wages higher than they are now getting. No member of parliament is going to turn it down. But they wanted an answer, and they received one. It was not the one they wanted, but it was not procrastination. It was a judgment that they had not made their case, and they were given explicit reasons why treasury board had reached that decision.

The very next day, in my presence, those seven representatives of H.M.C. *Dockyard,* Halifax, were given a personal assurance by the Associate Minister of National Defence that when they appealed that ruling he would see that their appeal was reconsidered. They went away from here unsatisfied with the result of the treasury board hearing. They were disappointed with the result, but they were assured that they had access to appeal procedure.

What is unfair about that? They went back to Halifax and drafted an appeal and sent it to the Associate Minister of National Defence. Then two of them, Mr. Hayter and Mr. Lyons, came here from the N.D.E.A. conference in Montreal. Again they had a meeting with the Associate Minister of National Defence, which I arranged for them at their request. They were told by the minister that in his judgment this appeal would require at least until September 30 for full consideration by treasury board. There was no procrastination; there was no delay, and no deception was practised. There was an honourable statement by an honourable minister that it would take some time to handle the appeal, because it was a request to upset a ruling and to change a fundamental labour policy.

Well, it is not September 30 yet. In their wisdom the men have issued a statement that this is not the time to threaten the government; that the government will not act faster if it is under an ultimatum. In any event, the deadline of at least September 30 has not arrived. I am not the spokesman for treasury board. Treasury board did advise me, as it would advise any member of the house if he sought the information, which apparently the hon. member who spoke yesterday did not bother to do. They had a meeting last Thursday and gave initial consideration as a body to this wage appeal. They are still considering the matter and searching for a formula, perhaps not one that will satisfy all the demands of the workmen but one that will at least go part way toward doing so.

The workmen at H.M.C. *Dockyard,* Halifax, work in an area which is at the very heart of Canada's connection with the sea and with the men who sail the sea. Halifax was founded as a naval fortress. Its dockyard has been in existence for more than 200 years. When parts of this country were bald prairie, men worked on ships in the Halifax dockyard. These men, the descendants of Nova Scotia seamen and ship workers, in my opinion are not going to

allow unreasonable, unreasoning or misguided representation of their case in this house by others to deter them from their advocacy of higher wages in a reasonable, just and fair way.

We have all sought higher wages. In my private life I have often sought higher wages which I thought I deserved but did not get. We have all done that. You do not always get everything you go after, but you do get fairness, you do get justice and certainly you do get a fair hearing. Here in a critical defence installation, and having in mind that in any ultimate war Canada's commitment within NATO will nowhere be more intensive than it will be at sea, two thirds of the ships of the Royal Canadian Navy are based. Here in this dockyard in the fortress city of Halifax may lie the last hope we have within the NATO infrastructure to preserve our commitment to NATO; and to leave the inference that the dockyard workers are about to fling down their tools and leave their jobs is something to which I cannot subscribe. I say that as one of their representatives, as one who has been in closer contact with them than the member who sought to be their self appointed champion yesterday.

I do not deny that it is the right of any member to speak about any public issue anywhere in Canada, but I have been told that the dockyard workers did not want that speech to be made. I have been told that their international representatives have been talking to representatives of the New Democratic party, C.C.F. party of whatever it is. As the representative of my people I am not here to lecture them on how they should do their business. I am not here to tell them things which will cause divisiveness between the locals in Halifax and their international representatives. But I do want to say this on my full responsibility as one of the members for Halifax. No international representative of the dockyard locals has been in touch with either of the Halifax members, but they have been in touch in an inaccurate way with the C.C.F. members.

I say that the issues involved in seeking to do justice to H.M.C. *Dockyard* employees and to keep the fleet in being and at sea at a more critical time than any in recent years are difficult and complex. These workmen in Halifax know that they live in a prime target area, that they will have to endure things which other Canadians may not be called upon to endure but would if they had to, and their duty and desire now is to keep the fleet in being and at sea.

I am not going to get away from cogency and relevancy so far as this item is concerned, but the other day we heard a spokesman for the Liberal party say that the ships of the Royal Canadian Navy are not capable of dealing with anything. That was an insult to the Royal Canadian Navy and the workmen who keep the ships at sea. I know something about the matter, because I have served with the Royal Canadian Navy. I know its competency. I am not going to stand here and say how many workmen are involved at H.M.C. *Dockyard,* Halifax. If somebody wants to get the information they can try, but I regard the number as a security figure. The number has increased in the last four or five years, and other things have been done to help labour. Only this week a $753,000 contract for a new building at the dockyard was announced, one of many to provide more jobs for more workmen in order to keep our increasingly complex ships at sea.

We are faced with a grave situation requiring that our ships be kept at sea. At the same time the men must not be denied their rights and must be treated with justice so far as their wage demands are concerned. As one who meets daily with the Associate Minister of National Defence, the Minister of Labour and officials of the Department of National Defence, and who is in touch with the men's representatives in Halifax by telephone and by letter, I am aware of the willingness and the desire of their representatives to come here whenever they can be of help. I am also aware of the assurance that they are welcome to come here and talk to us. It was asserted yesterday that nobody in authority would talk to them. The commodore superintendent of H.M.C. *Dockyard* came here only ten days ago to meet an interdepartmental committee on behalf of the men.

Having in mind our NATO commitments and the necessity of keeping the ships at sea and in good condition on behalf of Canada and Canadians, everything fair, reasonable and just is being done to extend justice and fairness to the men in solving these complex problems. To have the suspicion cast yesterday that there was a playing of politics with regard to this matter harms, I suggest, every individual tradesman in the dockyard. While I said earlier and say again that it is no function of a member to lecture his constituents but only to serve them and keep in constant communication with them, and while they are at liberty to consult any member of the house they wish, I say that they did not consult the member who spoke yesterday. Somebody else did, and did so in an inaccurate way. I say to them in a quiet voice that if they seek other champions that is their right, but for goodness sake seek them among members who at least have some esteem and reputation in the house.

(Translation):

Mr. Deschatelets: Mr. Chairman, the study of the labour department's estimates is extremely important, because they have to do with the major domestic problem of Canada, namely unemployment which affects not only the man or the woman concerned, but also and to the same extent, the children.

At the very outset of my remarks, I want to address a criticism to the government and the Minister of Labour (Mr. Starr). Last winter, we had one of the worst unemployment problems since the years 1930-35. There are figures to support that fact.

If the government and the Minister of Labour had really applied themselves to seek at least a short term solution to this serious problem, they would have then put before the house this department's estimates which were of the utmost importance at that time.

It will be remembered that these estimates have already been considered on one particular day; this study is now being resumed. The reasons for this delay in considering the department's estimates are very obvious; the Conservative government is always reluctant to deal openly with this problem. It has always attempted to minimize its full significance, if not to prevent any discussion of the matter.

I can easily prove this statement. The standing committee on industrial relations held practically no sittings since 1958. It is actually the committee that has held fewer sittings that any other committee of the house, and again, the figures are there to prove it.

Whenever this committee sits, as it used to do before 1958, under the previous administration—I was one of its members, so I know what I am talking about—the Minister of Labour attends the sittings with his officers and it is possible to consider matters of concern to the great majority of Canadians.

Most interesting studies could have been carried out in 1958, 1959 and 1960 by this committee on industrial relations, such as the study of amendments to the Unemployment Insurance Act in order to make the regulations more flexible and effective in case of serious unemployment, the consideration of means to replenish the unemployment insurance fund, the examination of short term measures to bring the speediest possible relief to the districts most heavily hit by unemployment.

It will be recalled that immediately after he took over the presidency of the United States, Mr. Kennedy ordered investigations to be carried out on the spot in order to remedy unemployment in the districts where it was most prevalent.

We could have taken more adequate steps regarding several aspects of unemployment. We could, for instance, have found out the approximate number of unemployed and compiled the trades and occupations most heavily hit. There is no doubt that it was the responsibility of the members of this House of Commons to do that but they were not allowed to discharge that responsibility.

Mr. Chairman, those are problems which the industrial relations committee had not only the power but the duty to examine. It did nothing of the sort, it did not even sit except once a year to determine its organization. We must then ask ourselves: Who is responsible for that? Who has constantly prevented the members of the house from coming to grips with this problem of employment and unemployment?

There is no use to ask that question to the government and to the minister himself, who is an ex officio member of the committee, both of whom must bear the responsibility not only of their negligence but also for this insult to the house.

It will be recalled that the Liberal opposition tried on several occasions since 1958—here in the house and in the industrial relations committee, which sat only a few times—to force the government to undertake a thorough study of the unemployment question but on each occasion the Conservative majority prevented any discussion of that problem.

When one speaks of unemployment today, one must consider the problem over a number of years, naturally since 1958; that is the government's responsibility.

I am sure that when the day of reckoning comes around, the government will have some explaining to do to the electors of this country concerning this inertia of the industrial relations committee where members were prevented from discussing unemployment.

Mr. Chairman, I mentioned a few minutes ago the figures provided monthly by the dominion bureau of statistics. These figures must be accepted, but they give a very incomplete picture of the actual situation. That leads me to a strange discovery. During the period from 1953 to 1957, while unemploy-

ment on a yearly basis never exceeded 2.8 per cent of the labour force, which means full employment, our friends of the Conservative party, including the Minister of Labour—I have reread several of his speeches —were rejecting the figures of the dominion bureau of statistics, claiming that they were not representative of the true situation. Moreover the present Minister of Labour himself was contending tooth and nail that the figures submitted by the national employment service were the only true and significant ones.

We, in the Liberal party, at least had the decency to issue each month both sets of figures, those of the national employment service and of the dominion bureau of statistics. Well, for a year now, thanks to the decision of the Minister of Labour, figures of the national employment service have not been released to the public. That service which, month after month, compiles the number of applications for benefits and applications for jobs is still submitting monthly figures to the minister, but we do not know what these figures are, because they are not included in the reports given us. Therefore we are now unable to obtain the figures compiled by the various offices of the service, unless a question is put on the orders of the day.

Mr. Chairman, the minister, in his preliminary remarks on the estimates of his department, and also the Associate Minister of National Defence (Mr. Sevigny) stated with great satisfaction that during August, 1961, according to figures of the dominion bureau of statistics, the unemployed totalled 323,000 while there were 352,000 in August, 1960, a decrease of 29,000. The Associate Minister of National Defence needed no more to declare that today we had full prosperity.

I should like to point out to the Associate Minister of National Defence that the figures for August, 1960, were the highest for that month since the 1930-35 depression and that the figures just released for August, 1961 are the second highest since the 1960 recession.

Yesterday, the hon. member for Essex East (Mr. Martin) spoke of the seriousness of unemployment in this country and compared this situation to the one existing in several European countries. He mentioned some and I wish to add a few more. According to the international labour office, from 1957 to 1960 inclusive, the Federal Republic of Western Germany experienced an average unemployment level of 2.6 per cent, the Netherlands, 1.6 per cent, Norway, 1.9 per cent and Sweden, 2 per cent.

[Mr. Deschatelets.]

Therefore, Mr. Chairman, the situation is still quite serious and the figures will keep going up. I say, without preaching doom and gloom, that what happened in 1958 will happen again because this government has not taken steps to improve the situation. I might recall what took place since 1958 to show why I say that we shall see again this year what happened at that time.

It will be remembered that in 1958, the Minister of Labour and the government considered the matter lightly, since it was mentioned in the speech from the throne of that year that unemployment was a seasonal problem. At that time, the government did not see how serious that problem was and, of course, they could not take the necessary steps. In 1959, the Minister of Finance (Mr. Fleming) announced that the economy had surged forward and that we had emerged from the recession. Once again, he missed the boat and events proved him wrong.

In his budget speech of 1960, the Minister of Finance forecast an upswing, that is an increase of 6 per cent in the gross national product for a surplus of $12 million. Everyone knows how wrong he was and you will recall that in the same 1960 budget speech the Minister of Finance uttered these historic words:

> I am confident that employment will rise as the coming of spring opens up new job opportunities.

Those words are quite typical of the government's approach to the unemployment problem. The government's record as far as unemployment is concerned is here for all to see and flighty speeches like those of the Associate Minister of National Defence and the hon. member for St. Mary (Mr. Valade) cannot change the situation. When the time comes for the people to pass judgment, sooner or later, we shall reveal this record in detail and we ask the Canadian voters to judge objectively this government which has refused to give serious consideration to those problems, with the result that for the last three years, thousands of our fellow countrymen to whom had been given the solemn pledge "No one will suffer", have endured undeserved hardship.

The Associate Minister of National Defence tried yesterday to excuse his government's disinterest in the matter of unemployment by claiming, quite wrongly, that the heritage we had left them in 1957 was the true cause of the present situation.

I should like to put once again on record the figures that have been there since

March 2, 1960 at least, when the hon. member for Laurier (Mr. Chevrier) quoted them, in order to recall them to the Associate Minister of National Defence (Mr. Sevigny) and to those who would like to try, as lightly and erroneously, to put the blame on the previous government.

On March 2, 1960, the hon. member for Laurier, during the course of his remarks, quoted the following figures from the supplement to the *Statistical Review of Canada, 1957*. He had first given, for the years 1946 to 1949, the percentage of unemployed workers, based on a full year. So, here they are:

> In 1946, 2.9 per cent. In 1947, 2 per cent. In 1948, 2 per cent. In 1949, 2.6 per cent. In 1950, 3.2 per cent. In 1951, 2 per cent. In 1952, 2.4 per cent. In 1953, 2.5 per cent In 1954, 4.2 per cent. In 1955, 4.1 per cent. In 1956, 3.1 per cent. In 1957, 4.3 per cent. In 1958, 6.6 per cent; and in 1959, 5.6 per cent.

Those are facts that no one can deny. However, I will add another proof which appears to me even more convincing, because the Associate Minister of National Defence is not the only one, there is also the Secretary of State (Mr. Dorion). The latter, in several speeches he has made within the last year, across the country, has attempted to have the people believe that the present situation was inherited from the previous government.

Well, there is one standard we can admit, and which makes it possible to compare the responsibility of the previous government with that of this government in regard to unemployment. When we left the administration in June 1957, the unemployment fund amounted to more than $900 million. In 1956, when I was a member of the industrial relations committee which had examined this matter, the fund amounted to $926 million, if my memory serves me right. The expert we questioned at the time had stated that, if the fund sank below $500 million, it would be in jeopardy. Now, when we left the administration, there were $926 million in the fund. If, all those years until 1957, unemployment had been as serious as it is today, there would not have been $926 million left in the fund; anyone in good faith will admit that.

Some hon. Members: Hear, hear.

Mr. Deschatelets: When this government came into power the unemployment insurance fund, as I said, contained $926 million. Well, three years later, in 1961, this amount has practically dwindled into nothing, in spite of the sums which were paid into the fund.

I submit, Mr. Chairman, that the unemployment insurance fund is the best yardstick to measure the responsibility of the former administration and that of this administration. No speech can change this yardstick, and I would even invite the Minister of Labour (Mr. Starr) to comment upon the matter.

Mr. Chairman, I had no intention of dealing with that subject. The question of responsibility with regard to the present situation is purely academic and of no interest to the jobless. What the Canadian citizen is interested in today, is to know whether those who have jobs are going to keep them and whether those who are out of work are going to find work.

I made that review only because, after the speeches of the Associate Minister of National Defence, someone had to put the record straight.

Since 1958 the Liberal party has made suggestions which were all ignored by this government. Only yesterday the hon. member for Essex East (Mr. Martin) put on the record suggestions which, in some form or other, had been made since 1958.

I remember that on March 2, 1960, the hon. member for Laurier (Hon. Mr. Chevrier) made 25 suggestions and recommendations in this house, but they were never seriously considered by the government. I therefore submit that the responsibility for the present unemployment situation can be easily established. In 1958, when the Prime Minister, for reasons well known to himself flourished the secret report on economic prospects, I submit he was flourishing then a boomerang which will come back and strike him at the next election.

When, in 1958, the Prime Minister discussed the secret report on economic prospects, he publicly acknowledged the forecast of the government economic experts who warned him of a threatening recession. The government, the Prime Minister and the Minister of Labour ignored those warnings, except when they made use of them to the end we all know.

Mr. Chairman, I come now to a matter discussed yesterday by the Associate Minister of National Defence and the hon. member for St. Mary (Mr. Valade), the problem of unemployment in the province of Quebec. There is nothing new in the fact that the number of unemployed is proportionately higher in Quebec than in any other Canadian province. I am most surprised that the Associate Minister of National Defence and the hon. member for St. Mary have just found that out. As a matter of fact, it has always been so since 1944. Because of yesterday's speeches, I will now have to

mention what I consider to be the causes of that situation in the province of Quebec.

Here are a few. Hon. members will recall that from 1944 until his death, Mr. Duplessis did not stop saying: "Unemployment is Ottawa's business. Quebec has no responsibility as far as unemployment is concerned." I dare the government members from Quebec to deny that well-known fact.

Mr. Duplessis was not at all interested in unemployment; it was no concern of his. He passed the buck to the federal government and never bothered giving excuses for having done nothing. He said: "I do not do a thing, this is not my business". And that situation lasted from 1944 until his death.

Another reason is Mr. Duplessis' refusal to participate in the joint plans and to accept his share of the amounts which rightly belonged to the citizens of the province of Quebec as to those of all the provinces. The specialists who examined that question of Quebec's refusal to accept her due share of those amounts estimated to about $100 million the unwarranted loss suffered by the people of Quebec.

A third reason is the neglect of the government of the province of Quebec in the field of education. And we know the courageous reforms of the present Liberal administration, embarked upon to make education accessible to all and to reduce by such steps the possibilities of unemployment, because in my opinion there is in Quebec a direct relationship between the current unemployment situation and the neglect we witnessed in the field of education.

A fourth reason is that Quebec had refused in the last few years to participate in the winter works program and everyone knows that when Mr. Lesage assumed the direction of the province of Quebec, he accepted to take part in this program because he deemed it necessary and in the interest of the citizens of Quebec.

As a matter of fact, he did more than accept to participate, because Quebec was the first province to grant a supplementary subsidy of 40 per cent towards the cost of labour over and above the 50 per cent paid by the federal government, and that example was fortunately followed by several other provinces.

Mr. Chairman, we know that on October 5 next Quebec will open a trade bureau in Paris, and then another one in London, in 1962, to promote the sale of its products and to enable industrialists to export, and this will create a much more favourable atmosphere for employment in Quebec.

We also know that a steel complex will soon be developed in the province of Quebec and

[Mr. Deschatelets.]

if sometimes we easily forget all the steps taken by the Liberal government of the province of Quebec, I feel that the people of Quebec will never forget the courageous attitude of its premier when he said: "I recognize that the province has a responsibility as far as the unemployment problem is concerned". It is most obvious that there is a provincial and municipal responsibility as well as a federal responsibility, but when he did that, his stand was a courageous one.

Mr. Chairman, I have wanted to set forth those facts in order to reply to the rather childish remarks made by the Associate Minister of National Defence and the hon. member for St. Mary.

Since 1958, the situation has become unbearable for thousands of Canadians, and I repeat that the present federal government must take upon itself the responsibility for this serious situation which is due to its own carelessness in face of the unemployment problem, and which is also the direct result of its fiscal and monetary policy.

When you consider all these points, you no longer wonder that the Prime Minister has not dared to put into effect his threat of an election, for the record of this government, with regard to unemployment is a very doubtful one to bring forward before the Canadian people. Sooner or later, there will be an election. The Prime Minister cannot unduly set it back, even if he dreads it. Then we will objectively put forward to the Canadian people the failure of this government with regard to unemployment, and then we will explain with confidence our policy of full employment, which is well known.

Mr. Chairman, before concluding my remarks, I should like to quote a few words by His Excellency Cardinal Leger who stated as reported in *Le Droit* of September 18 1958:

> The right to work is a natural right. It corresponds to the duty to work in order to meet one's own needs. And Cardinal Leger recalled the statements made on December 24, 1952 by Pope Pius XII on this matter:
>
> "Human solidarity requires, not only in the name of brotherly love but even also for the mutual benefits derived thereof, the use of all possible means to preserve employment and to create new jobs".

This, Mr. Chairman, is our approach to the problem, and I might add that we are the only political party with a record in this regard.

(Text):

And now if my hon. friend has a question I shall be pleased to accept it.

(Translation):

Mr. Valade: Mr. Chairman, I wish to put a question to the hon. member for Maisonneuve-Rosemont. Following the plea he has

just made for the Liberal government in the province of Quebec, would the hon. member tell me if the Hon. Rene Hamel has approved the Liberal policy advocated during the provincial election campaign in 1960 as to unemployment, when Mr. Lesage admitted the existence of a provincial responsibility?

Mr. Deschatelets: Mr. Chairman, I did not hear the question put by the hon. member.

Mr. Valade: Mr. Chairman, I should like to ask the hon. member if the Hon. Rene Hamel, a colleague of Mr. Lesage's in the legislative assembly, shares the views of Mr. Lesage on the responsibility of the provincial government as far as unemployment is concerned.

Mr. Deschatelets: Mr. Chairman, I regret that I cannot give an answer to this question.

Mr. Valade: Mr. Chairman, since the house is in committee, I take this opportunity to draw to the attention of the hon. member who just resumed his seat that, on Saturday, July 9, 1960, during a televised program from Montreal, the following question was put to Hon. Rene Hamel, minister of labour in the Quebec Liberal cabinet:

What do you intend to do about unemployment, Mr. Hamel?

Here is what Mr. Hamel answered:

Unemployment is not our problem; that concerns the federal government.

That statement was made by Mr. Hamel on the television network.

Mr. Deschatelets: Mr. Chairman, I am not aware of that statement, but I know very well that the Quebec premier took a courageous stand.

Mr. English: Which one?

Mr. Deschatelets: After Mr. Duplessis had stated that unemployment was no concern of his, he was the first one to say: "I recognize that the Quebec government has a responsibility concerning unemployment". At that time, Mr. Lesage was speaking not only as a great Liberal leader, but as a Canadian who considers that the unemployment problem should be a matter of interest to all those whose responsibility it is to see that all Canadians find work in order to provide for their families.

(Text):

Mr. Matheson: Mr. Chairman, on April 26, 1957 in a major address the Conservative leader promised full employment and high living standards as a primary goal toward which the Conservative government would work. A similar statement has been made by the Prime Minister in different addresses at various times, but the key phrase has changed in the interval that has elapsed. We are familiar with the expression that no Canadian would suffer as a result of unemployment, and with the further extension which crept in at a later date when the right hon. gentleman said that no Canadian would suffer as a result of unemployment "so long as public works and that type of thing will provide them the immediate assistance they require".

We know that on June 22, 1957, the day after this administration took office, there were 162,000 persons without jobs and seeking work, and we have learned that as of August, 1961 the number was 323,000. The *Daily News* of March 10, 1960, with respect to the unemployment debate held at that time had this to say:

About all that came out of the debate was the admission of the labour minister, Mr. Starr, that while opposition proposals might have long range possibilities, they could not provide more jobs right away.

More than a year has elapsed since that date. The Leader of the Opposition in speaking on this subject has pointed out the urgent importance of the crash program. In examining what has been said and done on the part of the government up to this point it would appear that the only crash program envisaged by the government in the foreseeable future is some proposal that is to come up relating to shelters, and training soldiers without adequate weapons and equipment.

I put it to this committee that there was a time when the Department of Labour was a dynamic, creative department. We remember that it was set up in the first instance by a student of economics and social studies who believed that there was something creative, something seminal, in this department which would spread out its good works into almost every other phase of government.

It seems inconceivable that the Department of Labour can continue in any really effective way without the closest co-operation with the Department of Finance, the Department of Trade and Commerce, the Department of Public Works and, in days as critical as these, surely with the Department of National Defence. We on this side wonder at times whether there is that close interchange of ideas among experts in the various departments of government, and perhaps particularly between the departments of finance and labour. We know that each department employs some extremely able people. Are these talking back and forth? Are they exchanging ideas and co-operating in working out ways and means of lifting the economy of this country from the slump it has sustained? Is there close intimate co-operation among the Department of Labour and the Department of Trade and Commerce and the Department of Public Works?

A few days ago we listened while at considerable length the Minister of Public Works

outlined the program of his department. We could not fail to compare his program with some of the major projects that have emanated from that department as recently as a few years ago. I recall that when this administration took office it hastened to accept full credit for the work done at Ripple Rock. From everything we have been able to discover the project was well under way at the time the Conservatives took over, and indeed had reached the final stage.

This administration was very happy to enter into all the ceremonies and take all the honours that went with the opening of the seaway, but has it been responsible for one measure of any importance which will serve the purpose that the hon. member for Essex East referred to, namely a crash program, something to lift the economy? My own constituency is considered to be very wealthy, comparatively speaking; from an insurance standpoint it is one of the best places in the dominion in which to do business. In the neighbourhood in which we live we have people of fine technical training who have been unable to find work in the past two years. Men with children are going through very real hardship. I know of two families that have left for New Zealand. In both instances the husbands were veterans. One of them had served in the army and the other in the navy. They had acquired skills and had come to the point where they did not have much in the way of a future in my home town.

We read a few days ago about Canada day being celebrated in California. At this celebration there were something in excess of 2,500 former employees of the Avro plant in Toronto. We wonder about these things. We wonder why it is that 500 Canadians are needed so urgently by Loblaws in London. We wonder why it is that Canadians are so eager and anxious to rush off to England. We are now suffering from a major emigration problem. We look at our universities and see the work that is being done there training people in the professions and in the highly developed fields of graduate work in science, and so on. Many of these people who are actually getting this training will have a bright future in the United States or indeed in Europe. We wonder why this is.

A number of things have been suggested but I am wondering whether this department has really gone to sleep and become crystallized. Has it simply become functional only? Has the Minister of Finance been talking to the Minister of Labour as little as he obviously did to the former governor of the Bank of Canada? Is there any real integration between the Department of Labour and the Department of Public Works? Are conversations going on between the Minister of Labour and the Minister of National Defence, who now talks in terms of expanding our army in some rather substantial way? Thank goodness; otherwise those people would be in the position of receiving unemployment insurance benefits along with the discouragement that go with them.

Has the Minister of Labour in any real way said to the Minister of National Defence, "Look here, you have an opportunity to train young Canadians in uniform". Is this training harmonized in any way with their future opportunities in civil life? We know that even during the terrible days of world war II it was a constant consideration of the government that the men who were in uniform should be doing work which eventually would serve some useful purpose, if such were possible. We had the nucleus of a merchant service. I am speaking now in terms of the navy. We had the possibilities of expansion in our air industry.

All these things seem to have gone by the board. When we look at the statistics before us I question seriously whether this type of broad, generous, harmonized program is taking place at all. Are our departments simply functioning because there is no impetus, steam, drive or imagination left in them at all?

One of the things that encouraged me most in recent months as a Canadian was the suggestion that in this country we were going to do something to upgrade our skills and technical resources. Is it preposterous to think that portable pensions would improve the opportunities of a person with technical and scientific skill so that he could move from one place to another and continually improve himself? He could move from the shop to the school, to the university and back again. Therefore a man with perhaps no high school training but with a high degree of technical training might end up in a very high income bracket. If this were done it would be an encouragement to many people. We recall that many of the most creative people have been without university training and without even any advanced mathematical training at all. Is it possible that Canada could move into this league, where a person who has imagination and creative abilities and is willing to work would have unlimited possibilities? In the Windsor *Star* of November 8, 1960 there is a story under the heading:

> Jobless to receive training.
> All provinces taking part in program.

It reads in part as follows:

> Hon. Michael Starr told the meeting "a number" of provinces have indicated they are doubling the programs and that one province plans to increase its training by 400 per cent.

We shall be listening with very keen interest to a report of the progress that has been made within one month after the announcement. This is rather important. An article appeared in *Saturday Night* of March 4, 1961 in a different vein. I wonder what are the true facts when after all this talk of upgrading skills and after all this urgent consideration we find that Canada is lagging seriously behind other countries in so far as technical training is concerned. This article was written by Frank Drea, and is headed, "Nibbling At the Edge of Unemployment". I should like to read three short paragraphs, as follows:

> However, the retraining program is already too little and may be too late to save the nation from being dragged down to a second rate industrial power by the weight of its misery class—the jobless whose lack of skills threaten to keep them on the dole for the rest of their lives.
>
> Ontario, with at least 127,000 persons out of work last November, was then busy retraining nine workers—six of them in commercial courses and three of them as welders.
>
> From April to November of last year, Ontario retrained either 43 or 65 workers, depending on which set of figures is used. Whether the nine in November were being retrained under the controversial schedule M of the vocational training act is a controversy in itself.
>
> In Toronto, where unemployment insurance benefits alone amount to more than $1 million a week and more than 60,000 are jobless, there is not one place where the idle may seek retraining—unless they use most of their meagre jobless benefits to pay for such training.

I am a person from a small town and I know this is true in the smaller cities and towns of the province.

Will you call it one o'clock, Mr. Chairman?

At one o'clock the committee took recess.

AFTER RECESS

The committee resumed at 2.30 p.m.

Mr. Matheson: Mr. Chairman, the shocking figure of 323,000 unemployed during the month of August is not attributable solely, of course, to failure on the part of the Department of Labour, and I hope my remarks did not suggest that. What I have been attempting to suggest is that there is always a need in this country for a flexible policy with relation to economics which involves the closest and most intimate harmony among finance, trade and commerce, public works, defence production and no doubt defence as well as labour.

Before the recess I was speaking about the matter of technical education, to which a great deal of attention has been given in every country in the world. We are aware of the interest of the department by reason of commonwealth technical training week, which took place from May 29 to June 4, 1961. The material that has been prepared with respect to this subject poses the problem but seems to supply none of the answers. I will be interested to learn during the course of discussion of these estimates what answers have been discovered, because there are many people in Canada who know something about this problem. I refer the minister to the excellent compilation of articles by Mr. J. Bascom St. John, which appeared in the *Globe and Mail* beginning on May 7, 1958. They have been published under the heading "Technical Education". I should like to read the foreword to that publication. The editor says:

> In almost all western countries, the startling technological achievements of Soviet Russia have inspired a renewed interest in the quality and types of education available to our young people, especially in the technical field. Some controversy exists as to whether technical education in Ontario is fulfilling the expectations held forth when a need for it was first recognized about 60 years ago.

The concluding article in the series refers to the fact that this is a matter that has been given close attention in almost all modern European countries and in Great Britain following the Russian example. Under the chapter headed "Ontario Program Needs Reform" there is the following:

> That something ought to be done is evident from the cost of technical education.

Many other excellent studies have been developed on this subject, and in this regard Britain leads the way. I have here a publication issued by the federation of British industries entitled "Further Education for Those in Industry and Commerce", which deals with this problem in some detail. We are familiar with the book "Technical Education and Social Change", published in Britain, and I quote the following from page 205:

> Yet this study indicates the need for a radical rethinking of the system of further education in its relations to the social structure if the demands for trained manpower are to be met... Rapid change will require political action...

We know there has been rapid change. Has there been any real political action? In the booklet—

Mr. Grafftey: What booklet are you holding? What do you call it?

Mr. Matheson: I am holding a booklet—I am answering the hon. member for Brome-Missisquoi—which is entitled "The Record Speaks".

Some hon. Members: Hear, hear.

Mr. Matheson: This is a booklet which has a portrait of the Prime Minister on the front page over the name "Canada". Under the chapter headed "Labour" there is a paragraph which reads:

> Canada is living in the midst of an automation revolution. While it will be beneficial in the long

run, nevertheless this revolution has caused part of the Canadian labour force to be unemployed.

We are well aware of this fact. I should like to touch on the record, and the way the record speaks, in so far as this administration is concerned. As I develop my thoughts with respect to the productivity council may I say this. Although we do not have the technical facilities that they have in Germany or western Europe, in Japan or in the United States, in Russia or in Great Britain, nevertheless we do have something with which to start namely people who care a great deal about this problem. In the town in which I live we have a man named Ardell Wilson who has done a great deal for technical training. If he received some encouragement at the official level this man could do a great deal for the young men who have been walking our streets wishing that the plants would take on more employees. The people who are out of work have been longing for some kind of training in the interim period, and it has not been forthcoming.

In a part of Smiths Falls just north of my riding there is a technical school, called the trades college of Canada. We can be proud of this institution which is operated by Commander Clarence W. Warner. In talking to Mr. Warner about the courses this college offers I discovered it offered courses in television electronics, industrial electronics, refrigeration and air conditioning and automotive mechanics. Smiths Falls is a small place, and if it is possible to operate such a college there it is possible to do so elsewhere.

Commander Warner was in charge of operations of our radar school during world war II, one of the important electronic installations on the allied side. The commander is presenting a course of study which is available to men between the ages of 16 and 65. He is serving people who reside in Smiths Falls, and serving those outside of Smiths Falls by mail. You may be interested to learn, Mr. Chairman, that we have navy personnel in the Queen Charlotte islands, in Fort Churchill and elsewhere in Canada who are taking technical training at considerable expense to themselves, running between $400 and $500, in order that they will be better equipped to enter the employment field in Canada. Surely this sort of thing could be done under more spirited leadership than that which has been shown in the past few months.

Another matter I think I should mention is that we must be prepared to courageously, fearlessly, and in a non-political way review the Unemployment Insurance Act. There was an address delivered on this subject by the member for Kingston prior to the summer adjournment and I am sure the contents of that speech are worthy of examination. There are many things that could be done here. We might separate one type of employee from another, always keeping in mind the proposition that people are our most important asset. There is nothing in Canada, capital, ores, lands, transportation, that is as important as the people we have here. This is our real source of wealth.

During the question period on September 20 last I ventured to ask a question of the Minister of Labour, as reported at page 8594 of *Hansard* for that date. I asked how many times the productivity council had met since its appointment on February 28, 1961, and had the government received any recommendations from the council. I was interrupted during the course of this question period and no answer was given. A number of members shouted, so there was no answer.

I hope there will be an answer to this rather important question, that is whether the productivity council, which was set up so long ago, has had any meetings that have been productive. If so, what has the result been in so far as this government is concerned? It would seem to me that although this council comes under the purview of the Minister of Trade and Commerce, it is of vital significance to any consideration of the labour department estimates. Let the minister at this time tell us in a fairly expansive fashion what the situation is in this regard. I hope this question will not be cut off.

Canadians were reading for many months addresses given by the governor of the Bank of Canada to various audiences he was invited to address. Questions were directed to the Minister of Finance in respect of the policy of the government in relation to the governor, and finally we had the fiasco that took place in the early part of this summer. I ask now if the minister would be kind enough to address himself to this question of the extent to which this ministry is in sympathy with the various addresses that have been given by representatives of this productivity council. There is an article in the Hamilton *Spectator* of June 7, 1961 in which Mr. H. George De Young is quoted as follows:

> Most of our people have no conception of the seriousness of Canada's position.
>
> Until we get a change in attitude we will continue to have those who wish to change the productivity council to gain factional goals.

He went on to say that Canada's gross national product per person has decreased since 1956 while that of most competing countries has gone ahead. Taking 1950 as 100 Mr. De

Young gave the following estimated figures for 1960, with those for 1956 in brackets. Canada 111 (116); the United Kingdom 124 (115); France 142 (125); Germany 185 (152); Italy 175 (135); the Netherlands 140 (127); Sweden 128 (115); Japan 190 (147). I say, Mr. Chairman, that this is an extremely serious matter and should be of concern to every member in this committee.

The same speaker, Mr. H. George De Young, gave an address on May 29, 1961 in which he said:

> —Canadians will have to accept change if they are to help Canada move into the organized big league of world trade.

The other day I read into the record of *Hansard* a reference in the London *Times* to the arguments that have been advanced by our Minister of Finance and Minister of Trade and Commerce, in which those arguments were referred to as "negative" and "sterile". I would be curious to know what policy, if any, this Department of Labour has with respect to growth, with respect to economic policy. Has this government any economic policy at all?

Mr. Grafftey: If you have eyes to see and ears to hear, yes.

Mr. Matheson: I am sorry; I missed the interruption by the hon. member for Brome-Missisquoi.

An hon. Member: You did not miss anything.

Mr. Deschatelets: He is just talking to himself.

Mr. Matheson: The editor of the Quebec *Chronicle-Telegraph,* which is a fairly wise newspaper that has been sensitive to trade and industry in general, and whose editor knows a great deal about commercial conditions both in Great Britain and northwest Europe, had this to say:

> Canada's industrial might cannot remain prosperous if the market is restricted to 18 million people residing within our borders.

Is it the policy of this minister, as it appears to be the policy of the Minister of Trade and Commerce and the Minister of Finance, to be satisfied with things the way they are? We are not satisfied, Mr. Chairman, with the way things are at all. We enthusiastically support any steps this government may take with respect to putting young men in uniform and teaching them to dig shelters, and all that sort of thing, but conditions in the world are such that we feel this government is overlooking the real problem we have here. I refer to the problem of how this country is going to grow and assume its proper place in the wealth of nations.

Mr. Starr: I made a full and comprehensive statement on the function of the Department of Labour when the estimates of this department were up for consideration by the committee of supply of this House of Commons some time in March, when discussions on the estimates of this department were carried on for a full two days. On rising today it is not my intention to be belligerent in any way or to be critical of the remarks that have been made so far in this debate, but rather to put on the record certain pertinent facts with respect to the unemployment situation in Canada.

Controversy has arisen as to when the present unemployment situation actually started. I am not going to enter into the argument about that aspect of the matter, but I should like to read from the report of the special committee of the Senate on manpower and employment, at page 21. There we find the following statement:

> With the wisdom of hindsight one can see in the statistical record evidence of weakness emerging gradually over a period of many years.

Here they were discussing the unemployment situation. I will deal with unemployment and indicate some of the measures that have been taken by the government to correct the situation.

An hon. Member: Deal with them all.

Mr. Starr: I submit to you, Mr. Chairman, that unemployment has taken a dramatic downturn in recent months. My opinion that the figures were considerably improved was confirmed when hon. members opposite failed to ask me any questions when the dominion bureau of statistics release was made the other day. This situation is quite understandable, but how different the attitude is when the figures show an increase in unemployment in this country. As a matter of fact, a decrease of 31,000 between the month of July and the month of August is not only greater than seasonal but is a record for all the years in which figures have been collected, and they have been collected since 1944. It is a record since 1944.

The hon. member for Essex East, in speaking on the estimates yesterday, said that in the report of the special committee of the Senate on manpower and employment it is stated that we must provide one million jobs in the next four or five years. I wish to bring to the attention of this committee the fact that this government is in the process of doing just that. Since 1957 during the term of office of this government more than half a million new jobs have been created in Canada.

In August unemployment represented 4.8 per cent of the labour force. This figure

compares with 5.8 per cent at this time last year. The hon. member for Essex East also stated in his remarks the following, and I refer the committee to *Hansard* of yesterday, September 20, as recorded at page 8602:

> It is suggested that 3 per cent of our labour force is the maximum rate of unemployment that we can permit.

I am not going to argue about that matter. I believe that full employment is the objective of all of us, or as close to full employment as we possibly can get. For those of us who have the responsibility of government it is always a matter of concern to see to it that people who are seeking work are provided with the opportunity of finding work. In connection with the statement of the hon. member for Essex East I should like to refer him to the report of the royal commission on Canada's economic prospects, which was written by Mr. Walter Gordon, who is well known to members of the party of the hon. member for Essex East. At page 421 we find the following statement:

> Many people will think that we shall continue to be threatened with serious inflation if, on the average, only 3 per cent of the total working force are frictionally unemployed; especially so as this average figure includes "seasonal unemployment", which because of our climate is bound to be higher in Canada than in some other countries. It is possible that such fears may be justified. Professor Neil H. Jacoby, a former member of President Eisenhower's council of economic advisers, has stated that "the consensus of American economists is that the United States economy has full employment in a practical sense when 96 per cent of the working force has jobs and about 4 per cent are in process of changing jobs.

Then this statement in brackets:

> (Many believe that the ratios are closer to 95 per cent and 5 per cent.)"

At mid August here in Canada 95.2 per cent of the Canadian labour force of 6,704,000 were gainfully employed. The hon. member for Essex East compared percentages of unemployment in various countries in the world. I should like to read again from the report of the special committee of the Senate on manpower and employment as set out on page 15, where they deal with this subject of the comparison of unemployment statistics that are recorded in other parts of the world. I read from this report at page 15:

> We have attempted no international comparisons of unemployment levels for, as Dr. Ostry has remarked, "In different countries unemployment series vary greatly not only in the definition adopted, but in economic scope or coverage, source of data and methods of compilation." That different concepts and methods produce different results is abundantly clear from the material provided in Dr. Ostry's report.

This is what they say about the comparison that could or should not be made with countries other than Canada, particularly those in Europe. The hon. member for Essex East endeavoured to point out that the situation in Canada was far more serious as far as unemployment is concerned. It is difficult to say whether he is right or wrong in view of what has been reported by those who have made a study of this situation.

He also asserted that the percentage of unemployed in Canada is the highest in the western world. The method of compilation of the labour force and the unemployed in the labour force in the United States is quite similar to the one we employ here in Canada. Compared with the United States, where the percentage of unemployed between July and August of this year was 6.2 of the labour force, Canada had 4.8 per cent of her labour force unemployed. Let us compare the figures further to see whether the hon. gentleman was right in making the statement he did. The percentage of unemployed in Canada in June of this year, for example, was 5.6 per cent. In the United States it was 7.5 per cent. In July the Canadian percentage was 5.2 and in the United States it was 7 per cent.

This indicates, I submit, that the hon. member for Essex East was in fact giving an incorrect impression. Let us now compare similar areas in the United States and in Canada. In August the percentage of unemployed in Ontario was 3.9 per cent. In Michigan, a state bordering Ontario and an industrial state like Ontario, the percentage of unemployed was 11.4 per cent. In June of this year, the latest month for which figures have been issued by the state labour departments, the percentage of unemployed in Pennsylvania was 9.9 per cent and in the state of New York it was 6.6 per cent. In Ontario in the same month it amounted to 4.5 per cent.

I have taken those two states because they are close to Ontario and are industrial in the same way that Ontario is. In June of this year the percentage of unemployment in the prairie regions of Canada was 2.6 per cent. In Minnesota, a state bordering on the prairie provinces of Canada, it was 5.8 per cent and in North Dakota it was 3.7 per cent. To take a further example, in the month of July the percentage in Ontario was 4.6 while in Ohio, a similar industrial state, it was 6.9 per cent.

I think these figures refute emphatically the statement made yesterday by the hon. member for Essex East. Unemployment in the United States is 754,000 higher than it was last year in the month of August. Here in Canada it is 29,000 lower than last year. At the same time employment in our

country has risen while unemployment in the United States has risen. Employment in Canada in August represents an increase of 1.8 per cent over the figure for the same month last year. Especially encouraging is the fact in the manufacturing sector, an area to which the government has devoted special attention, the number of jobs available shows an increase of 2.6 per cent compared with last year. We are looking forward to a still greater increase in the number of new jobs created in manufacturing as a result of the upturn in the economy and the measures which have been brought forward during the past months by this government.

It has been said that we have no program to deal with this situation, that no action has been taken by the present government to deal with this serious problem. The official opposition have told us what they would do if they had once again the opportunity to sit on the treasury benches. I do not intend to enter into controversy, or to take up point by point the program which has been placed before this committee and relate it to the action which has been taken by this government. However, I feel that in the circumstances I should outline in detail some of the measures which have been taken by this government to cope with this situation. I wish to deal at this time especially with what has been done in connection with housing and related matters.

Hon. members will recall that in 1957 the amount of money which could be advanced to Central Mortgage and Housing Corporation out of the consolidated revenue fund was raised from $250 million to $400 million. Higher loans for home owners were approved, and income qualifications placed upon intending home owners were relaxed in a program to provide more employment and to meet the need for housing. Direct loans from Central Mortgage and Housing Corporation were extended to all centres of population and to builders and rental investors in addition to home owners. Some 24,900 dwellings were financed through corporation loans amounting to $233 million. The number of housing units started during the year was 122,340 and completions numbered 117,283.

Then in May, 1958 the National Housing Act was amended increasing to $750 million the amount which could be advanced out of the consolidated revenue fund for direct lending and related activities. With this increase in funds, the corporation's residual lending was again available to home owners in centres of more than 55,000 population, and to builders in all areas. As a result of such loans some 36,400 dwellings were financed through the commitment of public funds amounting to more than $372 million. The number of housing starts in 1958 was 164,632, and completions numbered 146,686.

Then in March, 1959 the National Housing Act was again amended to raise to $1 billion the amount which could be provided out of the consolidated revenue fund for lending purposes. In 1959 the corporation financed more than 32,200 dwellings, and commitments of public funds amounted to $343 million. Corporation commitments for this year exceeded National Housing Act loan commitments to approved lenders for the first time. In 1959 the number of housing starts was 141,345 and completions numbered 145,671.

Then in March, 1960 parliament raised the amount available to Central Mortgage and Housing Corporation for direct lending purposes to $1.5 billion. In 1960 there were 108,858 housing starts and 123,757 completions.

I give these figures to the committee to indicate what is being done to provide employment in this country. Every time a house is under construction some five people are engaged, either directly or indirectly, and each house under construction also provides employment in such industries as the electrical and building supplies industries. The purpose of the government's program has been to provide jobs and alleviate the unemployment situation.

I bring to the attention of the committee the home improvement loan financing scheme, which has done a great deal in providing work particularly in the winter months. For example, during the first half of this year the banks approved 11,747 loans amounting to $17.4 million. The federal government has also provided grants to assist cities to undertake urban renewal programs. Since 1957 grants totalling $14 million have been approved for this purpose. Redevelopment projects are under way or completed in several cities across Canada. Public housing projects have been undertaken. A total of 3,063 dwellings have been approved by the government under federal-provincial arrangements, and some $82.8 million worth of construction has taken place in building these dwellings and in servicing lots in land assembly projects.

In December, 1960 Central Mortgage and Housing Corporation was authorized to make loans to universities for the construction of resident student accommodation, and loans amounting to approximately $17 million have been approved for 16 projects under this plan. A total of 30 applications has been received and an additional 23 preliminary inquiries have been made as at September 14, 1961.

To help combat soil and water pollution this government made available in December, 1960 the sum of $100 million for loans to municipalities for sewage treatment projects and

trunk collector sewers, and agreed to write off 25 per cent of the loans covering work put into place before March 31, 1963. By September 5, loans amounting to $35.4 million had been approved for a total of 106 projects. I remind the committee that on September 7 last the Minister of Public Works introduced a resolution, now approved by the house, to amend the National Housing Act of 1954 in order to increase the amount of money available for all the undertakings I have mentioned.

In the field of industrial development, in order to encourage industries to locate in certain areas in Canada where unemployment has been chronic over the years we are allowing double depreciation for income tax purposes for such industries. The hon. member for Essex East made mention of this program, and minimized it. As hon. members of this committee are probably aware, it is the responsibility of the Department of Labour to receive applications from municipal authorities, to review the record of employment and unemployment in those localities, and to make recommendations to the government with respect to the designation of surplus manpower areas.

Applications for accelerated depreciation certificates from individual firms are dealt with by the Department of Trade and Commerce. This program is in two parts. If an industry wishes to produce a new product that has not as yet been produced in Canada it can locate in any area in Canada and be eligible for this double depreciation allowance. If an area makes application to be designated as a surplus manpower area and following the survey is so designated and qualifies under the formula, an industry locating in that area or municipality also qualifies for the allowance. Since publication in March of the regulations relating to the plan, applications have been received by the Department of Trade and Commerce covering a wide variety of products including chemicals, steel, textiles, electronics, plastics, food and other products. The value of the assets covered by these applications is approximately $85 million. It would appear that a representative cross section of Canadian secondary industry is taking advantage of the program, with some firms establishing new plants while others are enlarging their present facilities in order to manufacture new products and thus diversify their output.

The municipal authorities have shown a great deal of interest in this plan. They have become aware of the advantages attendant upon attracting new industries. By mid September of this year 49 applications had been received from various municipal and county authorities requesting designation under the program. The government as at this stage has designated for the purposes of the program eight local areas administered by the national employment service. These areas included in their boundaries 16 of the municipalities and counties that applied for designation. In addition, 11 specific localities have been designated. The Department of Labour after investigation found that 17 of the areas that applied for designation could not qualify under the program at the present time. Investigation is presently continuing with respect to a further five applications.

I think it will be of interest to note that of the applications for accelerated depreciation that have been received by the Department of Trade and Commerce from individual firms, applications covering assets valued at $42 million were from firms intending to locate in surplus manpower areas. I submit that this program is working effectively and has brought about results. We have also provided an easement in the corporation tax for smaller firms. Canadian manufacturing will be further assisted through anti-dumping legislation in relation to "class or kind" goods made in Canada.

A national productivity council has been established by this government, and has been held up for ridicule by some people. The council has already met three times. I anticipate that the council will assist in the establishment of new industry, the development of a larger skilled labour force and the coordination of activities to increase productivity. I feel it will serve as a clearing house for information and ideas reaching down through the regional committees and committees which already exist in the industry.

Yesterday on the orders of the day the hon. member for Leeds asked a question in respect to this matter. Upon checking *Hansard* I find that in the first part of his question the hon. gentleman inquired how many times the productivity council has met since its appointment and whether it reported to the government. The productivity council will implement its own program. However, it may advise on the implementation of programs relating to productivity. At the next meeting, which is going to be held in Ottawa on Monday and Tuesday, September 25 and 26, I understand they will be considering labour-management co-operation services.

I must point out, Mr. Chairman, that the government has no control over the activities of the productivity council. We have established this council, and its membership consists of some outstanding Canadians representing every segment of our economy. They are on their own, and we expect they will be

bringing a great deal of benefit to industry and the economy as a whole in the months and the years to come.

One of the most significant programs administered in my department has been the municipal winter works incentive program, a program that the hon. member for Essex East refers to as a bagatelle.

Mr. Martin (Essex East): Anaemic, I said.

Mr. Starr: The municipal winter works program has proved an effective method of stimulating employment at the local level during the time when seasonal unemployment is at its peak.

The Deputy Chairman: I am sorry to interrupt the minister, but his time has expired.

Mr. Martin (Essex East): Under ordinary circumstances the committee would want the minister to go on; especially is this so because of his generous treatment of the member for Essex East yesterday. I hope he will continue to be generous in his references to the member for Essex East, rather than severe in his indictment as he is being now.

Mr. Starr: I want to thank the hon. member for Essex East and the members of the committee for this opportunity to carry on. I wish to assure the hon. member for Essex East that I have no intention of being severe with him, or of being critical. What I am trying to do is to set the record straight.

This program has been in operation now for three winters. During the three winters of its operation a total of 12,127 applications has been approved by the provinces and accepted by the government of Canada. The total cost of work put in motion during the three winters is estimated to be over $500 million, of which it is estimated over $350 million was expanded during the period covered by the three programs. An estimated 214,440 jobs have been provided over the three winters. The number of man days of work provided is estimated to be 8,812,394.

This program for the coming winter has been broadened to quite an extent to include almost any municipal undertaking of a capital nature, and it is expected that next winter's program will be even larger than that of last winter. Under the public works sector we have had an ambitious program of public works, and this has been pushed forward during the past three years. As an example, the Department of Public Works has in progress at various points across this country some 19 architectural projects each valued at more than $1 million. There are many who maintain that the government should launch upon a very large public works program. That is exactly what we are doing, Mr. Chairman.

In addition to this, six architectural projects valued at between $500,000 and $1 million are under contract. There are also 16 engineering projects, each valued at more than $500,000, in progress at this time. The expanded program of public works had in 1958, 50 architectural projects under way each with a value of more than $1 million, and 33 engineering projects with a value of more than $500,000 each.

We are now carrying out a program of engineering and maintenance projects which are worth well over $400 million. These include a $13 million harbour improvement at St. John's, Newfoundland; construction of the new $22 million aeroquay at Malton airport in Toronto; construction of a $60 million power reactor at Kincardine, Ontario; the $35 million Champlain bridge at Montreal; defence construction contracts with a total value of $100 million; and projects with a total value of nearly $30 million being carried out by Central Mortgage and Housing Corporation for other governmental departments and agencies.

I come now to the trans-Canada highway system. This program has been an encouraging one. In 1960 the Trans-Canada Highway Act was amended to provide an additional $50 million for construction and to extend the act until December 31, 1963. A great deal of work has been provided in this area.

In the resources development area the federal government, during the past four winters, has contributed half the cost of the $13 million program for the construction of camp grounds and picnic areas, and this work has provided some 650,000 man days of employment. Approximately $6 million is being spent this year—that is, in the fiscal year 1961-62—on national parks and historic sites. Another $2 million is being contributed over a period of four or five years toward the cost of camp sites and picnic grounds along the route of the trans-Canada highway, with the provinces matching this expenditure.

We are contributing half the cost of constructing roads that will open new areas for development, to a maximum of $7.5 million per province. When fully implemented this program will produce some 4,500 miles of roads to resources. Some 3,500 miles are under construction, and expenditures to date in all provinces total some $55 million, of which the federal government contributes 50 per cent.

The Columbia river power treaty, which was recently signed in Washington, provides, I submit to you, sir, the basis for a very large expansion in that area also.

Mr. Martin (Essex East): This is non-existent. This is an amazing statement.

Mr. Starr: I said the treaty had been signed in Washington.

Mr. Martin (Essex East): Signing a treaty does not give men work.

Mr. Starr: The Pine Point railway project, designed to tap new resources of mineral wealth, will involve a capital expenditure of at least $65 million on the new line alone, plus additional expenditures on line improvements south of Grimshaw. A new northern Quebec railway to Mattagami lake will open the way to further resources in this part of the province. Work on the South Saskatchewan dam is well ahead of schedule and is providing an important stimulus to this part of the west.

During the past four years this government has provided a $29.5 million loan to New Brunswick for the Beechwood hydroelectric development, and has made payments totalling $14.7 million to Nova Scotia and New Brunswick for terminal stations and 562 miles of transmission lines used in the interprovincial power grid system.

Some 2,300 miles of development roads are being constructed in Canada's northern territories, and 458 miles of low standard roads are being reconstructed to the development road standard at a total cost of $106 million. Development road construction has been completed on 574 miles, with 790 miles of right of way cleared. Some 800 miles remain to be surveyed. The forest access roads and trails agreement provided many jobs and expenditures in that area.

As far as small businesses are concerned, on January 19 of this year the Small Business Loans Act came into effect. By way of a guarantee of loans made by banks, it provides intermediate and short term credit to proprietors of small enterprises for the improvement and modernization of equipment and premises. The government is now authorized to guarantee loans up to $25,000 and for periods up to 10 years. Up to the end of June 1, there were approved 394 loans with a total value of $10,484,275. However, small business organizations have estimated that the value of renovation and extension work waiting to be carried out under this act amounts to $75 million. The government has also provided an easement of corporation taxes.

As far as trade stimulation is concerned, this is very vital to our economy from the point of view of supplying jobs. In the automobile industry, for example, the excise tax on cars was abolished.

Mr. Martin (Essex East): Thanks to our efforts.

Mr. Starr: I promised the hon. member that I would not enter into any controversy with him so I am not going to make any attempt to reply to what he has just said. We have also taken action with respect to the discount on imported motor vehicles and parts through reduction of the discount allowed. We have taken steps to make foreign automobile manufacturers compete on more equal terms with Canadian manufacturers. Meanwhile the recommendations of the royal commission on the automobile industry are being considered.

Mr. Pickersgill: Would the minister permit me to ask him one question for clarification? He talked about foreign cars competing more equally with Canadian cars. Among foreign cars does he include British cars?

Mr. Starr: All cars that are imported into Canada are designated as foreign cars, and I think the hon. member for Essex East will agree with me on that.

Mr. Martin (Essex East): You and I can agree on that subject.

Mr. Starr: Our merchandise trade deficit, which has been a source of great concern to all of us, was reduced in 1960 to $97 million from $369 million in 1959. In 1956, for example, our trade deficit was $713 million and I repeat that in 1960 it was reduced to $97 million. I feel that this gives reason for satisfaction. The employment benefits from this reduction are going to be significant, and a further reduction in our trade deficit is being attempted.

We have endeavoured to help and give leadership to Canadian businessmen interested in developing further trade abroad. Recently we arranged to bring the trade commissioners to Ottawa so that they might meet those who are in business in this country. The conference proved to be very successful and some 1,400 business executives took advanage of it. It was significant to find at that time that about 20 per cent of the businessmen attending these meetings were for the first time considering the development of an export market for their goods.

To enable Canadian business to compete on better terms in foreign markets, the government provides assistance through the Export Credits Insurance Corporation. This assistance has been expanded and the results are gratifying because we are able to ship more goods made in Canada through the facilities

of this corporation as well as through the Export Finance Corporation of Canada Limited.

I turn now to the field of training which has been a source of interest to a great many people including members of the government party, the government itself and members of the opposition. I want to remind the committee that as a result of the act passed by the house before Christmas a new federal-provincial agreement became effective on April 1, 1961. This agreement provides for a greatly increased technical and vocational program in Canada. The objective of the new agreement is to provide a means whereby Canada's manpower training requirements may be met. In the new agreement emphasis is placed on upgrading and retraining those now employed as well as on pre-employment training for those entering the work force.

The number of unemployed persons receiving training has increased each year and a substantial increase is expected during the coming winter. In his remarks yesterday the hon. member for Essex East referred to this act and said that it was not meeting the need for training the unemployed because grade 10 education was required and also because the act does not provide for training in academic subjects. He also said that the act requires amendment to correct this situation. Neither the act nor the agreements require grade 10 education for entry into the unemployed training courses. The normal entrance requirements have been waived for most courses except where a knowledge of advanced mathematics is necessary for successful mastery of the courses.

The vast majority of the numbers of unemployed being trained have formal education much below grade 10 level. Basic training in mathematics, science and communication skills necessary to obtain and hold employment has become an integral part of the training program for the unemployed in British Columbia, Alberta, Saskatchewan, Quebec and New Brunswick. Plans are now being made to operate such courses in all provinces during the present fiscal year. However, the act does not require amendment to meet the problem referred to by the hon. member for Essex East.

In his remarks a few moments ago the hon. member for Leeds mentioned the inadequacy of training in the technical field. I am unable to recollect the figures he used but for his information I wish to advise him that in the year 1960-61 training in technical and vocational classes in institutions throughout the country was given on a continuing basis to some 368,347 Canadians so the fact is that there are people being trained on a continuing basis in institutions established for this purpose. The hon. member may have had in mind the short courses that are established for some specific purpose and for a limited time, with the federal government paying 75 per cent of the cost. When these people are trained these courses are, of course, discontinued, but the fact is that some 368,347 people were being trained across Canada in the year 1960-61. We have not got the figures for 1961-62.

The hon. member also mentioned that technical people are leaving this country in increasing numbers. I was interested in reading an article published in the Montreal *Gazette* today. It is headed, "Skilled Personnel Return". I think it is important enough that I should read a portion of what is said here because all of us are very much interested in this matter. The article reads in part as follows:

> A small but growing return to Canada of Canadian professional and technical personnel has been remarked by the technical service council, an industry sponsored placement agency which has opened an office in Montreal. The annual exodus of Canadian trained scientists and engineers still greatly exceeds the numbers who are returning, and no doubt will continue to do so for some time yet. Still, it is encouraging to know that the traffic is no longer so obviously one way.
>
> The causes for a return to Canada are several. They arise, for the most part, from a dissatisfaction with the American way of life. A related consideration is the readiness with which many American employers will lay off even skilled personnel when times are bad. Canadian firms, in the experience of the council, tend to hold on to their men; American firms do not.
>
> The council does not appear to have experienced much difficulty in placing the returnees. An encouraging demand is developing for professional personnel in anticipation of improved business activity.

Mr. Martin (Essex East): Will the hon. gentleman tell us the source of this information?

Mr. Starr: The Montreal *Gazette* of Thursday, September 21, an article on page 12 written by John Meyer, the financial editor. I continue the quotation:

> The demand for production engineers, time study and cost experts is particularly significant. It suggests to the council further evidence of Canadian producers' sharpening awareness of the need to wring out cost consuming slack in their operations.

There may be another reason for the reported views of a number of these technical people, and that may be that they have found out this government has taken action and that the economy of Canada is on the upward swing, that opportunities are here again.

Now, I should like to make a statement on the training program in so far as facilities and the equipment of those facilities are concerned. As a result of the stimulus of increased federal contributions to training provided in the new technical and vocational

training bill passed earlier this session, additional expenditures on new and enlarged training facilities are now planned by the provincial governments amounting to $164,808,000 up to March 31, 1963. This is the program that provincial governments have indicated in so far as these facilities are concerned. The federal government will contribute 75 per cent of this total expenditure, and we have already approved an amount of $98,312,000 as our share.

The province of Quebec signed the training agreement last Friday afternoon, following similar action by all the other provinces earlier. Applications for approval from Quebec are expected shortly. All the provinces have signed the necessary agreements. The Quebec program will add to the totals I have given.

Of the $98 million which the federal government has already approved for capital expenditures, it is expected that $62 million will be claimed during the present fiscal year. There will probably be another $4 million or $5 million from Quebec. Provision is made in the present estimates for capital expenditures by the federal government of $29,500,000, of which sum $15 million is in the main estimates and the balance in the supplementary estimates. I anticipate, Mr. Chairman, that there will be need for an additional amount to be provided in a later supplementary estimate to cover the remainder.

Included in the new facilities that have already been approved are nine institutes of technology, 11 trade schools, 69 vocational high schools, making a total of 89 new technical and vocational training institutes across this country. Now, these facilities and the enlargement of the existing schools will, it is estimated, provide accommodation for an additional 30,000 students. I submit this is a very worth-while program which has been given life by the federal government and which provides an incentive to the provinces to undertake these worth-while projects.

In the field of transportation, I would recall to hon. members that during the past three years over $45 million were spent in providing new and modern ships for the Department of Transport. Other ships have been built by the federal government to be operated by other bodies such as the Canadian National Railways, and this work brings the total expenditure in the field to $57 million. The ship construction assistance regulations went into effect on September 12. These regulations provide for a subsidy in respect of construction in Canada of self-propelled vessels of 100 tons or over, tugs of 50 tons or over and other vessels of 200 tons or over. This, too, Mr. Chairman, I submit will give the necessary boost to the shipbuilding industry of our country which has suffered in the past.

In the field of winter employment, the federal government has taken an active interest in trying to stimulate co-operation between all Canadians across this country to provide more employment during the months in which it is most needed. All of these programs, and these are only some of the programs I have time to bring to the attention of this committee, were brought forward by this government for the purpose of stimulating planned investment, to create new jobs and guarantee old jobs and to maintain a healthy degree of expansion of the economy. These things are now taking place.

What has been the result of this action by the government? The gross national product was up 3 per cent in the second quarter of 1961 over the second quarter of 1960; personal expenditures on goods and services were up 3.8 per cent. Government expenditures on goods and services were up 7.9 per cent. Exports of goods and services were up 9.7 per cent. Wages and salaries were up by 3.5 per cent. In the field of employment, total employment, at 6,381,000, was up 110,000 from August, 1960. There were 59,000 more men and 51,000 more women employed in August, 1961 than a year ago. There were 5,578,000 employed in non-farm industries, 127,000 more than in August, 1960. There were 803,000 employed on farms, and this figure dropped by 17,000 as compared with a year ago. Manufacturing employment was up 41,000 from August, 1960; wholesale, retail trade employment was up 24,000; finance, insurance and real estate employment was up 14,000; and there were 68,000 more people working in the service industries than there were a year ago.

I should give the committee the regional picture in so far as employment is concerned. On a regional basis, employment in the Atlantic region was up by 32,000; the Quebec region was down 29,000; the Ontario region up 59,000; the prairie region up 26,000; the Pacific region up 22,000. In so far as the percentage of unemployment is concerned as related to the labour force of these regions, the Atlantic region, 6.8 per cent as against 6.9 per cent in August, 1960; in Quebec it is now 6.3 as against 6.2 per cent; in Ontario it is 3.9 per cent as compared with 5.1 per cent last year at this time. In the prairies, it is 2.7 per cent as compared with 2.4 per cent last year and in the Pacific region it is 6.3 per cent as compared with 7.5 per cent last year. I am sorry to have taken up so much of the time of this committee, Mr. Chairman, but I felt that some of these things had to be brought to the attention of this

committee, in order that all of us may realize that no effort has been spared by this government to deal with this unemployment situation in Canada. Through you, Mr. Chairman, I can assure the members of the committee and the people of Canada that this government will continue to exert all possible effort on behalf of the Canadian economy and the Canadian people as a whole.

Mr. Pitman: Mr. Chairman—

Mr. Chevrier: Mr. Chairman—

The Acting Chairman (Mr. MacEwan): I recognize the hon. member for Peterborough.

Mr. Chevrier: I understood that, following a government member, it is normally the turn of some member of the opposition. I do not wish to dispute the right of the hon. member for Peterborough, of course, if that has been the practice.

The Acting Chairman (Mr. MacEwan): I am informed that the hon. member for Leeds spoke prior to the minister and the hon. member for Maisonneuve-Rosemont prior to him. I therefore believe it is in order for one of the members of the C.C.F. party to have the floor. I recognize the hon. member for Laurier next.

Mr. Pitman: Thank you, Mr. Chairman. What we have seen happen here this afternoon is, I think, rather extraordinary. We have had virtually a speech from the throne in reverse. We have had the citation at the end of the session of all the actions of the government over the last seven or eight months, and this is quite an innovation I am sure. However, I feel there are one or two things which were stated by the Minister of Labour which should not pass unnoticed. One of the things which always interests me is the rather interesting logic behind such statements. I can remember last December and January, when we saw these figures rising dramatically, the reason given for unemployment was loss of trade, the fact that the devastation in Europe had been repaired, that there was no longer any war scare and the fact that so many young people had entered the labour market and that the government had little part in it at all. But now that the figures are beginning to go down, suddenly the government's achievements are the main reason for it.

I was a little bit worried about the rationale which the Minister of Labour used in indicating that now 5 per cent is going to be looked upon as an acceptable proportion of unemployed. I can remember when, 10 or 15 years ago, a figure of 3 per cent was looked upon with concern and 4 per cent with great alarm. However, I believe now we are going to be expected to recognize 5 per cent.

Mr. Starr: No.

Mr. Pitman: I would suggest that slight inflation can easily be looked after by an entirely planned economy and there will be no need to worry about that matter in terms of 5 per cent. Indeed, we must bring this unemployment figure further down than such a level.

One suggestion which I found somewhat surprising was the suggestion of the Minister of Labour that the hon. member for Essex East had misled this committee because he asserted that Canada had the highest unemployment rate of any country in the western world. The minister used the figures of June, July and August in order to prove this statement. I think that is a rather unfair example as Canada, of course, has a much greater fluctuation from winter to summer than has the United States. Surely the only fair way in which to decide this question would be to use both winter and summer figures in order to make any kind of acceptable comparison.

So far as the use of housing is concerned, I would think there may well be a serpent in the basket in the use of housing as a means of bringing down unemployment in this manner because, to my way of thinking, at a time when we are bringing down the income needed to buy a home, and when we are making mortgages with longer terms and payments much higher, if there is a slight recession there is going to be a tremendous number of houses which are going to be in the hands of the government. The government will be really in the housing business. What we need is direct action by the government in subsidizing low cost housing. One critic has suggested that the number of housing units is outpacing family formation in the middle income area and that this is going to be a real problem in the future.

Finally, the Minister of Labour indicated that the hon. member for Essex East had minimized the government's double depreciation measure. I would suggest that he could not possibly minimize it or it would disappear altogether, certainly in one aspect at least. So far as areas designated as surplus manpower are concerned, the minister did not prove that one single job was created by this particular piece of legislation. So far as areas being designated are concerned, this may look to be very strange at the moment, but certainly in the past we did not get any great run on this particular kind of help. In fact, it took from December until March before we could find out what the system was

going to be. Then, of course, by the time we finally found out what the system was going to be, we found that the measure was not strong enough to cure even the mildest form of unemployment. It was coming too late. There was no knowledge of it until March 2. It was too late to do anything about the level of unemployment we had last winter, and of course, many knew nothing about it. I would suggest that the way in which this particular aspect of the government's policy has been handled has been the most complete negation of government responsibility which I think could possibly be examined.

The criteria were made fully public on March 2, but cities throughout the country had no idea whatsoever whether or not they were covered by these criteria. For example, in April or May I went down to the library to discover just exactly what the situation was in many areas of Canada. I found that so far as the metropolitan area of Windsor-Leamington was concerned, the figure was 80.9 per cent of the months between May and November between 1953 and 1960 and this city had applied. But when we turn to major industrial areas of 10,000 or more, which required 75 per cent, we find Rouyn-Val d'Or with a figure of 76.2 per cent had not applied; Shawinigan Falls with 90.5 per cent had not applied; Cornwall with a figure of 80.9 per cent had applied; Lac St. Jean with a figure of 76.2 per cent had not applied; Trois Rivieres with a figure of 90.5 per cent had not applied; Brantford with a figure of 90.5 per cent had not applied. Surely it would have been very simple for this government to inform the municipalities throughout this country at least to what extent they apply, in one of the areas which could come under this scheme.

I realize that, in order to find out whether the number leaving the industrial force was the reason for the number becoming less, certainly there was needed some kind of local investigation. I know of one community where the mayor came all the way down to Ottawa —and perhaps there were many others—when there was no possibility that that city could be given this designation of a surplus manpower area under this piece of legislation. This is government irresponsibility at its worst. If you go into most industrial areas of 10,000 and less what do you find? In those nine major industrial areas, eight had not applied. The minor industrial areas required 50 per cent. In St. Stephen the figure was 73.8 and it had not applied; Gaspe with 66.7 per cent had not applied; Rimouski with 61.9 per cent had not applied. Similarly I could go on down the list. This measure was supposedly to deal with unemployment at the time when there was unemployment which was, of course, last winter. Now with employment rising the whole manner of government appreciation now with the very little effect it will have, almost becomes irrelevant. I think this is certainly a damaging indictment of a so-called method by which this government was going to deal with unemployment.

I am not going to comment on the mass of statistics which we have just been given. I am sure that all of us want to sit down for a few hours in order to read that speech before we can decide really what has been said. However, I wish to say this, at any rate, about this whole area of employment. Today, with all the seriousness of the international situation and with the bureau of statistics giving us at least a little bit more hope than it has given us in the past, perhaps unemployment does not seem to be quite so overwhelmingly significant. Perhaps this provides an opportunity to sit back more coolly and impassively and to discuss the problem of unemployment without the white heat of urgency we felt last March. We in the New Democratic party look upon this problem as the most serious of all the internal difficulties facing the people of Canada. The Senate committee put it very well when they indicated the extent of the material loss involved in unemployment. I am reading from page 1 of the report of the special committee of the Senate on manpower and employment wherein it is stated:

> The failure of the economy to utilize fully its labour resources involves a loss of production. Nor can this production be later recovered—it is gone forever. Unemployment implies, then, both the inability of certain members of the society to share equitably in the national output and a reduction of the national output itself. Furthermore, the mere awareness that a significant number of people are out of work—and with the modern development of statistics and the means of communicating them widespread awareness is never long delayed—has an adverse effect on social morale and the climate of enterprise. In fact, the number of people without jobs is one of the most common and most important standards used to evaluate the performance of a free society and in the present world of ideological conflict it is hardly an overstatement to say that a high level of employment is a goal deserving of the utmost priority.

These are the material losses. Now we all hope that the cold war will soon be something of the past, but let us not forget that we shall have another war, though a different kind of war, on our hands, and the way in which we deal with unemployment will be a very real part of that war.

I should like to mention here the spiritual significance of unemployment. Lord Beveridge in his book entitled "Full Employment in a Free Society" says:

> The greatest evil of unemployment is not physical but moral, not the want which it may bring but the hatred and fear which it breeds.

We on this side fully recognize that this is an extremely complex problem and that it has as many facets to its solution as there are to its causes. But there are two approaches. One is simply to stand back and say: we can do virtually nothing about it—at least in those circumstances the Canadian citizen knows just what to expect—and the other is to refuse blindly to accept the extent of the problem. This certainly was the policy of the present government through November, December and January of last year. Their philosophy was: we can spend a little money, take the minimum of action accompanied by the maximum of publicity, and hope that the Canadian people will be hoodwinked into believing that we have a policy of full employment. We in the New Democratic party have decided to hit this problem head on, much to the consternation of certain organizations. We say that a government must guarantee employment, using as its methods a wide range of fiscal, monetary and economic policies. This could be done, and we say it has to be done. We believe that we, in Canada, are the ones who are out of step with our slogans of "free enterprise". Let us look at what some of the other nations have done. I should like to quote from an address given by Mr. T. Carlsson, a Swedish labour attaché to Canada and the United States in which he said:

> Sweden controls its economy by exercising overall planning and integration of all phases of industry. No move is made in any one sector of the economy without regard to the effect on the country as a whole. When a recession threatens, the machinery to avert it is ready to swing into action immediately.

This, of course, is very different from the philosophy here where we wait until a man falls flat on his face and then pick him up, as distinct from doing something to bolster him before he falls.

Mr. Carlsson continued:

> As a result of advance planning, the government and municipalities have public works projects ready to roll in an emergency to provide more jobs and stimulate the economy.
>
> Private investment is encouraged in a recession by making it tax free for a limited period, thus developing new industry and expansion of existing facilities when it is most vitally needed.

And here, I think, is the important statement.

> We don't tolerate unemployment in Sweden. A full employment policy is in the bedrock of our national economic system.

How do they maintain jobs for all in Sweden? The answer, again, lies in planning. To quote Mr. Carlsson again:

> The workers in Sweden, including the white collar workers, are 95 per cent organized, and the employers are also fully organized. This makes it possible for the leaders of both unions and management to negotiate "economy-wide" contracts, governing every company and every worker in the country. The profits of all companies are published periodically, and wages are geared scientifically to productivity.
>
> Our employers have accepted their social responsibility. They acknowledge the right of the workers to share in their profits.

Then, later:

> Labour mobility—the shifting of workers from one region to another and one trade to another—is a big factor in the Swedish success story. The government provides very generous travel allowances for families changing jobs, and offers vocational retraining courses of up to two years' duration—families being supported by government funds while the breadwinners learn a new trade.

Mr. Grafftey: You are a bore.

Mr. Pitman: I am afraid the hon. member for Brome-Missisquoi is in jocular mood this afternoon. I did not hear what the question was.

An hon. Member: He is talking to himself.

Mr. Pitman: I put it to the committee that another country has done something about unemployment. I have here a clipping from the *Globe and Mail* on June 9, 1961 headed: "West German Jobless Dues Suspended". Instead of the bankruptcy which virtually faces our own fund, Germany is in effect having to give a rebate to the workers who are being asked not to contribute further to the fund because it is already far too large.

The French economist, Andre Philip, speaking at a conference in August, 1961, said that in France "If we had 2 per cent unemployment we would have a revolution". Mr. Philip is further reported as saying:

> In the European community we are changing our economic and social structure. In the United States and Canada you must also make a change because if you don't you will lose and you will make us lose, which I don't like.

We might well consider the position of New Zealand. Perhaps I could illustrate it by quoting from an article which appeared in the *Globe and Mail* of January 26 of this year.

> New Zealand in fact seems a Fabian paradise, an almost classless society with full employment and high living standards. This little country of 2,300,000 has virtually no unemployment. Of a total labour force of 885,000, only 276 are registered as jobless. And at least 17,000 jobs are vacant.

Thus, governments abroad have realized that full employment is the only solution—full employment not merely as the subject of election speeches, but full employment in reality. We face the realization that we have today what is known as cyclical unemployment and that the cycle has changed. I am sure that is part of the reason for some of the more hopeful statistics we have heard from the minister. While we know that after a certain time cyclical unemployment seems to disappear, we should also recognize that it leaves behind a hard core

of men and women who do not re-enter the labour force. This hard core will cost the Canadian taxpayer a great deal more in the future. I am thinking of a piece of research which was done by the Catholic Service Bureau in my constituency. They examined the histories of people who are known as "down and outs"— those who sit on park benches and have lost all interest and participation in competitive living. The bureau's investigators found that nearly every one of those was a man who had had a job in his early thirties or forties, had lost that job and failed to re-enter the labour force. This constitutes a serious social problem and one which will cost even more than we are paying now in unemployment relief.

We realize that automation offers us an opportunity to increase the prosperity and living standards of the people of Canada, yet we stand wondering who is going to pay for this technical change—and we cannot help asking ourselves whether it is not going to be the workers who find themselves faced directly with the prospect of losing their jobs in an economy where they would find it difficult to find any other employment. We wonder, also, what would happen if the dream of total disarmament did come true. Could we reorganize our economy sufficiently to take up the slack and provide new employment for those now employed in the defence industries? I suggest that the government would have to take a far more conscientious view of its activities and responsibilities before there would be any hope that such a thing could happen. We believe there is a need for government responsibility. We were shocked by the lackadaisical attitude in dealing with the situation. We believe that the twentieth century makes great demands that call for some faith in democratic government action. I am sure that future historians in looking back at our age will not be so much impressed by our cars or even our missiles as by the fact that with the height of technological and scientific advance we have achieved our society was unable to give jobs to those Canadians who last winter were looking for employment, and will be even more impressed by our utter callousness in dealing with the situation.

Yesterday the hon. member for Essex East placed before the committee the program of the Liberal party for dealing with unemployment. We are able to agree entirely with many and indeed most of the points he raised. There was, however, one fatal flaw, almost Shakespearean in its depth.

Mr. Grafftey: Oh, the hon. member reads Shakespeare too.

[Mr. Pitman.]

Mr. Pitman: The hon. member appeared to fail to realize that such activity, if it is to be co-ordinated and purposeful, demands a level of government participation and direction beyond that acceptable by the members and supporters of the Liberal party. We feel that success is impossible without a planned course, that all these principles would result in utter chaos. We are unhappy to see the word "planning" being dropped from the vocabulary of hon. members of the Liberal party.

Mr. Martin (Essex East): I used it yesterday, but in the right context.

Mr. Pitman: It is evident that the hon. gentleman and I disagree as to the meaning of the word and the proper context in which it should be used.

Without planning, many of these courses of action could lead to total chaos and confusion. We feel that the programs which appear so acceptable on the floor of the convention when the Liberals meet lose all shape and meaning once they are taken over by the party leadership.

We in this group also wish to present to the committee a program for dealing with unemployment. We believe that there must be a planned approach at every level. It will not be regimented and will be acceptable to the Canadian people. A planned approach is today used by captains of industry but without the full view being taken into consideration, without sufficient research and information, and all too often it entails planned profits and planned obsolescence. We wish to create a pattern within our economy which will provide a full employment society. By whom would it be planned? Certainly there would be an inner council of the cabinet. This is not a matter that should be the full responsibility of the Minister of Labour. Both the hon. member for Leeds and the hon. member for Essex East commented on this point as well. We envisage an inner council of the cabinet which council would be composed of the Minister of Public Works, the Minister of Labour, the Minister of Finance, the Minister of Trade and Commerce and perhaps other appropriate ministers who would hammer out policies destined to bring about full employment in our society.

We would require a planned approach at the provincial level as well. We shudder at the course of this government at the present time. It is losing fiscal control in the new taxation arrangements with the provincial governments. We have a situation in which one province can negate the influence of the federal government. We had a classic example of that recently. The federal government

removed the tax on automobiles and the Ontario government introduced a 3 per cent sales tax.

Mr. More: What about the tax in Saskatchewan? We have had it for 20 years under a socialist government.

Mr. Pitman: I suggest it was not levied in a manner similar to that in the instance to which I refer, nor by the existing government.

Mr. Jones: It was increased by the C.C.F.

Mr. Pitman: I am not attempting to discuss the irrelevant situation in Saskatchewan.

Mr. Jones: The hon. member had better talk about something he knows something about, if there be such a subject.

Mr. Pitman: We require a planning and development council to dovetail plans and programs at every level. There must also be planning by different economic groups including industry, labour, agriculture, the extractive industries and others. These should be given a genuine role to play and not just sent away immediately after being constituted. They should have a genuine opportunity of participation, a sense of responsibility, an opportunity of following through and of making a vital contribution. They should not simply hold conferences. It is only through planning at the federal and provincial levels and at the level of all economic groups that we can possibly solve the problems with which we are confronted.

We wish to institute a program to give Canada the opportunity for the economic growth that is necessary to ensure her prosperity. This is the touchstone, as was mentioned by other hon. members who have participated in this debate. We must ensure that all sectors, regions and groups share in this growth and it must be a purposeful growth. It is all very well to talk about training the unemployed which is of course a necessary and important thing but if jobs were available industry would train men to fill the jobs. I have been told by industrial leaders that that is true. Certainly we need vocational training but it will not solve the problem. To achieve the purposeful sense of growth to which I refer we must come to appreciate that if one region is depressed and is not receiving a fair share of the national income we are all at fault, we all lose and that this is a measure of our failure to cope with our problem. If one group, whether it be old age pensioners, farmers or fishermen, is not receiving a just share of the national prosperity, we are all the losers and again we share responsibility for this failure.

We require a national investment board capable of implementing a dynamic investment policy and of planning and regulating investment. It must direct this investment in a way that will create employment. Let us put a sense of purpose in our war on unemployment just as in times of emergency we have put a sense of purpose in our war against enemies when they have beset us. If we had that sense of purpose the Canadian people would rise to the occasion and invest their money in Canadian enterprise but lacking that sense of purpose there is no great desire to do so.

We need greater control over anti-cyclical financing as was mentioned in earlier discussions on the budget. This government has failed to adopt methods by which we can prevent recessions through the use of fiscal and monetary policy. This is a very real failure. There must be a recognition of the public sector, so long neglected. It must be appreciated that we can stop unemployment by building the schools, universities, recreational centres and other things we need. I was pleased to hear the Minister of Labour stress the importance of construction in relation to employment. The Minister of Public Works denounced us as being unrealistic when we said that public works could provide employment. There appears to be a difference of opinion on this matter within the ranks of the cabinet.

We require a new approach to secondary industry. We need a minister of industry. We have ministers for such departments as fisheries and mining and technical surveys. Secondary industry employs more people than any other segment of the economy and requires the establishment of a department with a minister to look after the many needs obtaining there.

There are many other areas where a new approach must be adopted including that of area redevelopment. Redevelopment projects would aid in giving the Canadian people a sense of national purpose especially in areas where the economy loses its strength by reason of the relocation of industry or changes in technology. I refer to communities such as mining and industrial communities who have recently lost their source of income.

We feel that the program we have outlined can be put into effect but we must have a full scale war on unemployment. This is the only answer to the problem. It may very well be that this winter we shall have less unemployment than we had last winter and I certainly hope that is the case. The Canadian economy may be dragged up by world economic conditions and particularly by the United States economy, but this will not mean the end of the problem. I hope this government will seize the challenge that confronts it to come to grips with the problem of un-

employment by introducing long term measures that will ensure that we will never have in Canada again the levels of unemployment we had last winter.

Mr. Chevrier: Mr. Chairman, I have listened carefully today to most of the speeches made on the first item of the estimates of the Department of Labour and I must say nearly all were constructive speeches. I thought particularly constructive the speech made by my colleague the hon. member for Essex East with which the minister did not disagree too much, I think, although he did take issue with some of the statistics submitted to him by the hon. member.

The hon. member for Essex East has been our spokesman on this subject for a number of years now. Not only did he give the position of the opposition and of the party but he also spoke with the same authority on this subject as he does on many other subjects.

I should like also to refer particularly to the contribution made by the hon. member for Maisonneuve-Rosemont who dealt I believe more particularly with the Quebec aspect of the situation, although he did speak in general terms as well.

I should like to commend the hon. member for Leeds who, I think all hon. members will agree, is making a serious and substantial impact upon the house by the manner in which he prepares himself for these debates.

The hon. member for Peterborough has just completed a constructive speech. With many of the things he said I, and I am sure those who sit on this side of the house, agree. I was pleased to see him put on the record some of the things that his party would be prepared to do in case of an emergency, having particular reference to the situation in which we find ourselves today. Many of those things were advocated by the Liberal party quite some time ago.

The minister made a long speech. I am glad the committee permitted him to speak at length so that he could put on the record the whole program, as he wished to, of the government in reference to the unemployment situation.

Mr. Starr: Just some of it.

Mr. Chevrier: I listened to him carefully and I believe in an impartial way. Judging by the glowing statement he made on behalf of the government, suggesting all that had been done by the government, I would have thought he would have come to the conclusion that something substantial, something consequential, had materialized from what had been done. But that was not the case. If you look at the cold facts of the matter you will find that the situation in Canada in the month of August was still twice as bad as it was when the present government took office in 1957. If you look at the figures of 323,000 in August 1961, and compare them with the situation in 1957 when 162,000 were unemployed when we left office, notwithstanding the glowing picture painted by the minister, you can draw your own conclusions as to the effect of the program which has been put into operation.

Notwithstanding the rosy picture painted by the minister of the program adopted by the government in many fields there is still one cold fact which no one in this committee can contradict, and it is this. When we left office the unemployment insurance fund was close to $1 billion. Today it is down to $100 million or less. These are cold facts and they give some idea to the committee and the country how it was depleted and of what is happening now.

The minister read from a paragraph of the report of the special committee of the Senate on manpower and employment. I cannot understand why he did not read the whole of the paragraph. At page 21 the minister read these words:

> With the wisdom of hindsight one can see in the statistical record evidence of weakness emerging gradually over a period of many years.

He stopped there. I should like to go on. Here is what the report said:

> In a sense, though, the 1957-58 recession was a major turning point. The recovery from this recession was relatively moderate and conspicuously short-lived. Widely held expectations about the increase in national output soon turned out to be over-optimistic, and the economy proved incapable of providing the number of new jobs necessary simultaneously to absorb the increases in the labour force and to reduce unemployment to pre-recession levels. The volume of immigration had declined sharply from its 1957 peak and the rate of family formation had fallen off. Overcapacity had developed in many parts of the economy and this situation, which persisted throughout the period of recovery, had a serious effect on investment expenditures. Early in 1960 the economy entered another recession without ever having recovered fully from the preceding one.

From this report on manpower and employment it will appear very clearly that a serious situation began following the 1957 recession. The minister took the figures for the month of August and he was very happy with the result. Let me tell him at once that I, too and we on this side of the house as well, are happy to see a betterment of the situation; notwithstanding the betterment of the situation there are a number of facts which were pointed out by the hon. member for Essex East which I will not, nor do I feel I should, repeat. One of those facts is that there are still 323,000 unemployed in this country. This is a serious matter. Whether it be 5 per

cent of the labour force or 4.3 per cent, it is still a serious matter and the country will want to know what is the position of the government with reference to it. It has been said by the minister that this is a decrease of 31,000 in the month of August as compared with the month of July. That is good. I am pleased; we are happy with that; but in the other sentence in the labour force statistics issued by the Department of Labour the following appears:

> The labour force decreased by 39,000, which is more than usual for this period.

This is a sentence which should be read in conjunction with the other statement.

I do not want to deal at length with any particular part of Canada but I would be remiss if in passing I did not make some reference to the province of Quebec. The minister said very little about it. The unemployment situation in that province in August was 6.3 per cent of the labour force compared with 6.2 per cent a year earlier. In fact, the situation there is worse than it is in any other part of Canada save the maritimes. We have this situation, sir, notwithstanding the fact that the present administration in Quebec—and I do not want to get into a political argument; these are facts which I believe are accurate—has accepted contributions from the federal government with reference to unemployment assistance, which it did not do in previous years. It contributes 40 per cent to the winter works program as compared with absolutely nothing by the administration prior to the present one coming into office in Quebec.

An hon. Member: Why not?

Mr. Chevrier: You will have to ask your friends to answer that question.

As I say, we have the situation notwithstanding the fact that the Lesage government have accepted contributions under the Trans-Canada Highway Act, which unquestionably helped the unemployment situation in that province and notwithstanding the fact that government has accepted contributions with reference to access roads to forests and other natural resources areas. The fact is that prior to the advent of the new administration in the province of Quebec only 174 municipalities in that province had applied for and obtained the benefits of the winter works program—these figures are from returns to the house—compared with 1,286 projects under the present Quebec administration as reported on December 14, 1960, and almost 2,000 as of this date. I conclude this part of my remarks by making the statement that the government certainly cannot complain about the co-operation it is receiving in the field of employment and with respect to its so-called program to relieve unemployment so far as the province of Quebec is concerned. Yet notwithstanding the government's program and notwithstanding the contribution by the province, 6.3 per cent of the labour force in the province of Quebec were still out of work in the month of August.

An hon. Member: Since the new Liberal regime.

Mr. Chevrier: I say that is a serious matter and it is serious because in my opinion the government is not doing nearly enough in that area. The minister has referred to certain projects in the province of Quebec. He has referred to the Champlain bridge which was approved by the former administration. He has referred to the Mattagami railway line which was approved by the house, of course, and which I hope is helping to relieve the situation in that area of the province. Those are the only two projects in the province of Quebec to which he referred. I suggest to him that not nearly enough public projects have been instituted by the government of Canada in that province.

The minister dealt at great length with the program of the government and he put on the record a long list of things which had been done by the government to meet the unemployment situation. But all of the things he put on the record had to do with one aspect of unemployment only, unemployment in the construction field. He suggested absolutely nothing to deal with cyclical unemployment or structural unemployment. He did refer to assistance to depressed areas, about which I will have more to say in a moment. I say to him and to those who sit behind him that 75 per cent—I was going to say 90 per cent but perhaps I would be mistaken—are projects which, if they are of assistance, are of assistance only in one sector of the economy, namely, in the field of building and the allied trades.

There are other areas of the economy which are suffering and for which little is being done. The minister has said nothing about emigration. He did put on record a statement by Mr. Meyer of the *Gazette* toward the end of his speech but there are other aspects of this matter which I think also deserve to be put on the record. I should like to refer to a newsletter prepared by the department of economic development of the Canadian chamber of commerce, and I quote from the last page thereof:

> Stuart Armour, economic adviser, the Steel Company of Canada Limited, speaking to the annual meeting of the Canadian Manufacturers' Association, commented: "Can it be that we are attempting to solve our unemployment problem by losing population? Let us hope not, for in 1957, when we

had the second highest net migration in the past decade we had a very much higher level of business activity than we are now experiencing".

A little farther on in the letter is this paragraph:

Of particular concern in this connection is the steady flow of emigrants to the United States. In the 12 months ending June 30, 1960, there were 46,668 immigrants to the United States whose country of last permanent residence was Canada. Of this number, 30,132 were born in this country.

Because it is of tremendous importance I repeat that last statement.

Of this number, 30,132 were born in this country. During this period, Canada lost to the United States more than 5,700 professional, technical and kindred workers including professors and instructors, draftsmen, engineers, physicians and surgeons, teachers, technicians, and 1,372 badly needed professional nurses. We lost more than 1,100 managers, officials and proprietors and more than 4,500 craftsmen, foremen and kindred workers, including brickmasons, stonemasons, carpenters, machinists, mechanics, plumbers, plasterers and toolmakers.

I could go on. The decrease in the number of unemployed amounted to 31,000 in the month of August but, as this newsletter indicates, 46,668 persons, of whom 30,132 were born in Canada, emigrated to the United States in the period mentioned. The question arises in our minds at once: Are we to understand that we have to solve our unemployment problem by emigration to the United States?

Mr. Starr: In one month?

Mr. Chevrier: It does not matter whether it is in one month or in 12 months. I am dealing with the 12-month figure, and it is a serious matter that over 46,000 people should have gone to the United States, 30,000 of whom were born in this country. I pose the question because it is one of serious importance for all of us.

The minister dealt with the encouragement the government has given to depressed areas. Perhaps I am not using the right term. I believe another expression has been used by the minister from time to time but I will use "depressed area" for lack of a better phrase. The minister made a great deal of the applications that had been received which he said represented a value of approximately $85 million. So far so good, but how many of those applications have been approved by the government? I think the house has a right to know that. As hon. members know, the purpose of assistance by way of double depreciation is double-barrelled, as the minister has stated. First, it is to come to the assistance of an industry which might develop a new product anywhere in Canada. Double depreciation will be granted to such an industry. Second, if an industry decides to establish itself in an area so designated by the government it will receive double depreciation for one year.

I want to know how many applications for double depreciation have been accepted by the government and, second, I want to know how many men have been put to work as a result of this program. I doubt very much whether one man has been put to work by virtue of the action taken by the government in this field. The next question is, what areas of Canada have been declared by the government to be depressed areas? The minister stated that the municipal authorities were interested in this program, that by early September 49 applications had been made and eight local areas and 11 specific locations had been designated. We said at the time that this was not the way to do it, that is the method whereby the municipalities should make application to one or the other of the departments of government. We said the government should itself take the initiative because it would know from what information it had, be it in labour, be it in trade and commerce, be it in public works or in finance or any other department, which areas were the depressed areas. I say with respect, of course, that when the minister dealt with that part of his program, in so far as meeting the unemployment situation was concerned in my opinion that was the weakest part of his contribution to this debate.

Even under the best of conditions of full employment at the national level, certain sectors of the Canadian economy have experienced stagnation. There is no doubt about that, it is admitted by all of us. This is due, in part, to the geographical dispersion of industries and the tendency towards regional concentration of single industries. When there are any shifts in consumer preference, changes in technology, depletion of resources or a resurgence of world competition, the local industry's market position is constricted, but the severest impact is on the locality that is totally dependent upon the industry. The disappearance of such an industry, although it leaves a vacuum gives no assurance that the vacuum will be filled by a new industry.

There are certain economic factors which contribute to labour immobility, so there is no outflow of workers to bring the supply and demand of labour into equilibrium. Under conditions of less than full employment or severe unemployment such as existed in Canada since 1957, the problems of the distressed areas are greatly aggravated. As the house knows, the average unemployment for the year 1958 was 7.1 per cent; 1959, 6 per cent and 1960, 7 per cent. The Canadian government is pledged to a national goal of

full employment. The white paper on unemployment which was tabled in this house many years ago by the late Right Hon. C. D. Howe stated unequivocally that full employment was the major goal of government policy. Here was a policy to deal with the post-war transitional period laid down clearly. There were 11 points which dealt with the situation, not as we found it then, but as we anticipated it might be. First, the employment problem was dealt with; next, the sources of employment and income were described; then export trade was dealt with, private investment in Canada, consumption, public investment, scientific and industrial research, placement and training of workers, wartime controls, government financing, the beginning of the transition. Anyone reading this short pamphlet can come to no other conclusion but that here was a program which had been thought out; here was a program that had been brought about by the meeting of many of the best minds in our country. It was this program that helped Canada go through the post-war period from 1945 to 1957 in a manner which resulted in no more than three per cent on the average of the labour force being out of work at any time, and 3 per cent was considered by economists as full employment.

Mr. Valade: That is false.

Mr. Chevrier: My friend behind me says that is false. I have put on the record on many occasions the statistics and they are there for whoever wants to see them.

In order to accomplish full employment, these regional pockets to which I have been referring of chronic unemployment must be eliminated. They must be eradicated since they have reached such proportions as to become an effective brake on the economic capacity of the nation to attain and sustain an adequate rate of growth. If any further justification is needed for an all-out federal attack on the problem of distressed areas, one has only to refer to the report of the Senate committee on manpower and employment. At this point, I should like to quote from page 69, as follows:

> This is not to suggest that technological change and the provision of cheaper goods by foreign suppliers are without benefit. Their benefits are obvious. Nevertheless, it must be recognized that they sometimes create serious problems for particular industries and, in so far as these industries are geographically concentrated rather than spread uniformly across the country, the problems may manifest themselves in particular areas. In other words, while the benefits of technological advance and cheaper imports may be widely distributed the unfavourable effects may be geographically confined.

This quotation substantiates the statement which I have just made. There are, as the minister knows, specific distressed areas in the Canadian economy that endure, at the present time, one and a half to two times the national average in amount of unemployment. The duration of the unemployment is just as important as the rate. Long term unemployment, that is unemployment over 15 weeks during the year is prevalent in these areas. A long period of unsuccessful job seeking usually represents a real crisis in the personal life of the individual and an irrecoverable loss both to the individual and to the economy of his productive capacity which goes unused during this time. An excess of supply over demand in labour for long periods of time in distressed areas, coupled with the immobility of the labour supply, due to such things as home ownership or lack of information on alternative job opportunities outside of the region leads to a lack of hope and despair on the part of the individual involved. The loss of income on the personal level results in communities being unable to provide essential services. This deficiency in essential services, when coupled with problems of providing welfare, constitutes an impossible financial burden on the stricken community.

How is this problem being met? The minister has indicated in his earlier remarks what the government has done. But I say to him with respect that that part of his program is inadequate to meet the situation as we find it today in the depressed areas across Canada. Here, I should like to quote what Professor Stanislaw Judek of the University of Ottawa had to say in his submission to the Senate committee on manpower, and which was in a large part adopted. He said:

> The attempt to ease unemployment on a seasonal basis—

I ask the committee to listen to this carefully.

> —through an inadequate winter works program and on an industry basis, mainly through housing and other construction projects, is not sufficient in the long run because it does not recognize the condition of persistent local unemployment. Other more acceptable alternatives and long term measures must be devised to deal with structural unemployment and localized unemployment.

Here is a person who has given a great deal of thought to this aspect of unemployment and these are his views.

What is needed is a systematic study of our economic regions which will form the basis for the national employment policy. To overcome this problem, the federal government must provide technical aid for regional areas and supplement a region-wide plan by means of grants and low interest loans, and by means of tax incentives to promote the location of industries in distressed areas. What

we need to do is to return to the philosophy of the white paper on employment, as submitted to the house in 1945, which states, and I quote:

—that the dominion (government) will undertake its own deferred projects in those localities in which decline of war contracts or other circumstances have made available labour which can be included on such projects and for which the localities give promise of permanent employment.

It was this philosophy that enabled Canadians to demobilize with a minimum of dislocation and to generate a rate of growth from 1945 to 1957, which was the envy of every country in the world. That is not the condition in Canada today. I have already put on the record some of the statements made by persons in the common market countries. When they were told what to do by members of this government they replied, "You should be minding your own business and not telling us what to do, because your own economic situation is in a bad way".

Such a national employment policy as that which I have been attempting to lead up to would, of course, necessitate co-ordination. It would necessitate co-ordinated government activity at all levels. It should have as its first goal the upgrading of the skills of the unemployed in distressed areas so that they will be able to find alternative employment; second, to increase the number of jobs available in the distressed areas; third, to slow down or prevent the development of new areas of chronic unemployment.

I should like to put on the record now the steps which we on this side of the chamber or a Liberal administration would look to in order to eradicate unemployment in distressed areas.

The Deputy Chairman: Before the hon. gentleman proceeds, I must advise the committee that his time has expired.

Some hon. Members: Go on.

The Deputy Chairman: Does the committee give unanimous consent to allowing the hon. gentleman to continue?

Some hon. Members: Agreed.

Mr. Chevrier: Thank you, Mr. Chairman. The steps to which I refer are as follows:

1. Establishment of a national advisory board on economic development, automation and employment, that would work in co-ordination with local development agencies, co-ordinating their efforts and providing technical assistance at the local level.

2. Detailed economic regional development plans based on adequate research for each distressed area.

[Mr. Chevrier.]

3. Tax exemptions to encourage enterprise to locate in distressed areas.

4. Accelerated depreciation over the whole term of investment.

5. Special treatment of retained earnings that are specially needed in distressed areas.

6. Massive vocational and retraining programs to prepare people for jobs in the regional or national labour market, worked out in conjunction with provincial authorities so as not to infringe on provincial rights.

7. Supplementary unemployment benefits paid to those willing to undergo instructive training.

8. Federal assistance in the preparation of local development programs. Contributions towards urban renewal both for labour and capital costs to the end of restoring lands to effective commercial and industrial use in distressed areas.

9. Expansion of the terms of reference of the industrial development bank so as to supplement the regions' financial capacity, to seek effective action against unemployment.

10. Co-ordinate monetary and fiscal policy in order to promote the proper atmosphere for general growth in the economy, thus relieving the local incidence of unemployment and providing alternative sources of employment outside the region for those willing and able to move out of surplus labour areas.

The committee has been good enough to give its consent to allowing me extra time and I am not going to abuse the privilege. However, before I take my seat, I wish to say a word about some of the things to which the minister referred, but I shall do it briefly.

The minister referred at some length to the public works projects that were being put into effect by this government. He referred to the Columbia river project. The committee, of course, knows that no one has been employed because of this project, although the treaty between Canada and the United States was signed many months ago; and it was signed notwithstanding the fact that no assurance had been obtained from the provincial government involved, namely the government of British Columbia, that it would be willing to go along with the project.

The minister referred to the Pine Point railway. We have just this morning approved this project in the committee on railways, canals and telegraph lines. We have the word of the minister that the survey will not be completed until the end of the year. Hence there is certainly no ground for making the

statement that benefits will flow from this project at least before it gets started, and I doubt whether that will be prior to 1962.

Then the minister referred to the Beechwood project. This project was finished before the loan was given. How could it provide any jobs? I have dealt with three of the five projects to which the minister referred.

Then the minister had a great deal to say about the national productivity council. However, he did not say much about what the chairman of the national productivity council was saying. Does the government and the minister approve the statements and speeches made by Mr. De Young? Can the minister state whether or not be he approves of the pronouncements that have been made by the Mr. De Young? A moment ago he said the government had no control over the productivity council. However, the government also had no control over the Bank of Canada. The government also did not like the speeches made by the then governor of the Bank of Canada. Are we again in a position similar to that in which we were with reference to the government going one way with its economic policy and the Minister of Finance being dissatisfied with the other arm of government the Bank of Canada? Is that the position with reference to the minister and the national productivity council? I wish he had said more about that matter.

Then he spoke at some length about the winter works program. I put on the record a statement made by a professor from the University of Ottawa before the manpower committee of the Senate. The minister himself referred to it and I need not repeat what he said. As to the winter works program, however, let it not be forgotten by the committee that, although the government calls it its program, only one third of the funds are provided by the federal government. The rest of the funds come either from the municipalities or the provincial governments. Notwithstanding that fact, the figures I have been given are that this employed about 85,000 people, many of whom would have been put to work under any circumstances.

The minister went far afield of his department in dealing with other extraneous conditions and circumstances that have helped the position of employment in Canada. For instance, he told us about the anti-dumping legislation. How could the anti-dumping legislation enter into the matter, when it has never been used by the government, unless I am mistaken, except perhaps once or twice. Notwithstanding the fact that we protested against this legislation and were condemned for protesting against it, the very reasons we put forward for not passing it are some of the reasons the government is now using for not putting it into effect.

I have dealt with the national productivity council as briefly as I could. The minister spoke about trade. I do not want to get into an argument about what happened at Accra. I will keep away from that matter as there will be an opportunity to deal with it later.

Mr. Martin (Essex East): I do not know about that. The Minister of Finance is not coming back until Christmas.

Mr. Pickersgill: He is having a second honeymoon.

Mr. Chevrier: However, let it not be forgotten that this government had the opportunity to assist in the promotion of jobs by accepting the free trade offer from the United Kingdom. However, it turned its back on that offer. To use an expression which the Minister of Finance likes to use in the house from time to time, the government ran away from this free trade offer just as fast as its legs could carry it. There is no doubt about that. Now the government is critical of the United Kingdom because it is about to make application to join the common market. I do not intend to talk about the tendency of this government toward protection, a tendency which certainly does not help employment. Proof of that can be found in the period of time which elapsed from 1930 to 1935. We do not want to go back to those conditions when we "blasted our country into the markets of the world". When we adopt that kind of language rather than attempt to make a deal with the tremendous potential market of the E.C.M. containing some 220 million people, we are certainly not acting in our best interests. I think the method which seems to have been adopted by the ministers, as well as by the government up till now does not seem to be one conducive to the promotion or expansion of jobs, but rather to the restriction of jobs.

All I need to say in conclusion is that I have attempted to deal with a specific aspect of this question, namely unemployment in distressed areas. I do not think—and I say this again to the minister with respect—that he has dealt effectively with this problem. I have tried also to put on record in *Hansard* some thoughts which I believe may be helpful. If we were to follow those suggestions I am hopeful that in the distressed areas—and there are far more of them in Canada than the minister would seem to indicate—a much larger dent in unemployment in Canada would be effected than is being made at the present time.

Mr. Winch: I believe nearly every member of this committee understands that I represent an urban constituency in the east of the city of Vancouver. I think I am safe in saying that almost 100 per cent of my riding is a working class residential area. It is therefore understandable that in this constituency of Vancouver East we have had a very serious problem arising from unemployment and it would be almost axiomatic that in rising to speak on this, the first item, of the estimates of the Minister of Labour, I should have an emphatic speech to make on unemployment, its cause and its cure. It is not my intention to do that. I may be criticized for this, but I do not believe in political expediency or in useless repetition. I believe that since the discussion opened on this item just about everything that could be said has been said with regard to the seriousness of unemployment, its causes and the means by which it might be cured. So why should I take up the time of this committee by repetition? I do not intend to do so.

My purpose in rising to speak on this item is to raise one question with regard to which I should like to have an answer from the Minister of Labour. The question is this: what attitude does the minister take toward the I.L.O.? The international labour organization is a body which in my view has been ignored by this government for far too long, as it has been by previous governments. As I am sure you know, Mr. Chairman, the international labour organization is the oldest of the major specialized agencies which function today as part of the United Nations family. I am sure that many of us forget that the organization came into being as far back as April, 1919, under the terms of the Treaty of Versailles. It was, and still is, a tripartite international agency. Its policy—a wonderful one—has been accepted, namely that there should be government, employer and worker representation from all parts of the world.

According to the last report in June of this year there were 100 nations in the organization. I do not think it is generally recognized that Canada was a founding member in April of 1919. Here we have on an international basis an organization whose policy and principles could with advantage be further advanced in the domestic field in Canada. I should like to hear from the minister his views on the international aspect of Canada's representation on the I.L.O. I shall put it this way: the international labour organization promotes the voluntary co-operation of industrial nations in an effort to improve labour conditions and to raise living standards. I think that the instrument through which the I.L.O. is making the greatest contribution to the welfare of the workers and the farmers of the world is through what is known as the international labour code. This code is based on what are termed conventions, and since the first meeting of the I.L.O. in 1919, 115 conventions have been passed. Canada, with government, industry and workers represented, has taken part in the passing in Geneva of those 115 conventions.

What is the purpose behind the I.L.O.? Hon. members will find it in the constitution of the organization. As stated in that constitution, the I.L.O. was founded on the fundamental tenet that universal and lasting peace could best be established only if it were based on social justice. I did not know until recently that the I.L.O. had a motto. Its motto is: Poverty anywhere is a danger to prosperity everywhere. Canada was a founding member of the international labour organization in 1919. I am informed that 115 conventions have been passed by the I.L.O. in Geneva since that date with Canada supporting most of them. However, out of that number Canada has ratified only 19, most of which deal with the welfare of seamen, their standards of food, etc. Canada's record is one of the poorest of all the states and nations that make up the I.L.O. I shall place on the record figures relating to the number of conventions ratified by other countries in order that hon. members of the committee may appreciate what a rotten record Canada has:

Country	No. of Conventions Ratified since 1919
Belgium	60
Italy	59
United Kingdom	58
Uruguay	57
Norway	52
New Zealand	41
Sweden	38
Canada	19

This is an important matter. I feel that we are entitled to ask the Minister of Labour what the position of the government is with respect to the I.L.O.

I received last week from the I.L.O. a chart dated June 1, 1961 outlining all the conventions adopted by the I.L.O. since 1919. In the four years during which the present minister has held office Canada ratified only one convention, No. 105. To what did it refer? The abolition of forced labour.

Mr. Chambers: Is the hon. member against that?

Mr. Winch: Of course we support the ratification of this convention. We have in Canada what I wish to describe for the purposes of these remarks as a constitutional, democratic, parliamentary federalism. Strict lines of demarcation are drawn between the

jurisdiction of the federal and provincial governments and perhaps the minister will take refuge in that argument. However, I emphasize that it is a damnable disgrace that no action has been taken to improve Canada's record with respect to the ratification of I.L.O. conventions. We should be ashamed of our record; but, taking pride in the fact that we were a founding member in 1919, action should be taken to ratify, in the respective jurisdictions, the I.L.O. conventions which are of a constructive nature.

I do not think this matter has been raised in the chamber before and so, because the points I would have made concerning unemployment were all covered I chose not to repeat them but to bring this matter to the attention of the committee. I urge the minister and the government to take action to improve Canada's record with respect to the ratification of I.L.O. conventions so that if Canada is not at the top of the list it will at least be close to the top in terms of the number of conventions ratified.

(Translation):

Mr. Brassard (Lapointe): Mr. Chairman, I should like to join with the hon. member for Vancouver East (Mr. Winch) to ask the minister to tell us what he thinks about the Canadian government's attitude towards international labour agreements.

I believe that the hon. member for Vancouver East has raised a point which interests not only labour unions in this country, but also management, as well as every Canadian and especially all members of this house.

If some of the unemployed have read the speech of my hon. colleague from St. Mary (Mr. Valade), they must have derived much comfort from learning that they belong to the category of frictional, cyclic, seasonal or finally technical unemployment. It must be for them a cause of great satisfaction to know to what class of unemployed they belong.

As recorded on page 8628 of the *Hansard* of September 20, the hon. member for St. Mary had this to say while speaking about the responsibility for unemployment:

> In this respect, I should like to quote the statement made by the ephemeral leader, Hon. Jean Lesage, head of the Liberal party in Quebec.
>
> In the language I tried hard to learn, to quote someone means to repeat literally and faithfully what that person said. The hon. member for St. Mary however did give but a paraphrase of what the Hon. Mr. Lesage had said in the province, and if this is not true, I want the hon. member to call me to order.
>
> The Hon. Mr. Lesage never stated that unemployment was exclusively a provincial responsibility as far as Quebec is concerned. He said that the province of Quebec had also to assume some responsibility for the unemployment problem, since it concerns the citizens of that province.
>
> I think that by such a statement, the leader of the province, proved not only realistic but also courageous, since he repeated it after he had been elected to the position he now holds.
>
> If the hon. member for St. Mary has reported with as much accuracy the speech delivered by Mr. Hamel on television, I think it is not necessary to carry on a controversy with him on that matter.
>
> However, all I should like to add is that the government of the province of Quebec has already started taking action in that field.
>
> The hon. member for Laurier (Mr. Chevrier), on the other hand, has mentioned some action that has been taken since the election of the Liberal government in the province of Quebec.
>
> In the field of winter works only, I think, the government has done a lot and the province of Quebec comes first as far as federal government proposals are concerned. Incidentally, I would be dishonest if I failed to recognize that the winter works program initiated by the Minister of Labour (Mr. Starr) means something to this country in the matter of employment. But, as my colleagues who spoke before me said, the program is not adequate and too many people still cannot earn a living in this country.
>
> The number of Quebec municipalities which submitted projects to the federal government in 1958-59 was 67; for the 1959-60 fiscal year, 93; for the 1960-61 fiscal year, 535.
>
> The projects approved by the federal administration in 1958-59 numbered 289; in the fiscal year 1959-60, 336 and in 1960-61, 2,027, out of a total of 7,095 for the ten provinces.
>
> The total expenditures involved by the various projects submitted by the provinces, the Yukon and the Northwest Territories, as well as by the Indian reservations, amounted to $289,911,087, in the fiscal year 1960-61. The province of Quebec alone submitted projects amounting to approximately $125,732,715. I think that the province of Quebec has tried to do something, and that it has really taken concrete steps to alleviate the unemployment problem, in the quickest way possible; but immediate steps are not the only thing required to alleviate the unemployment problem. Since 1957, the hon. member for Essex East (Mr. Martin), the hon. member for Laurier (Mr. Chevrier), the Leader of the Opposition (Mr. Pearson) and some others of my colleagues have been submitting

to the house all kinds of projects designed to provide a long term solution to the unemployment problem.

I am not interested in knowing who is responsible for unemployment. I am interested in the fate of those who are jobless and want to work.

Whenever we make a suggestion implying long term legislation to the government, we are accused of never submitting anything realistic which might immediately relieve unemployment.

To quote only one instance, in Quebec—and the federal administration recently took similar action—we set up, as I said, an economic guidance council for the province. One of the principal aims of the council is to decentralize industries and to see to it that some are established in those communities which suffer more particularly from the blight of unemployment.

A start was also made on plans to set up a steel industry in Quebec. Indeed, an investment fund of $1 hundred million will be available to industrialists who want to establish such an industry in the province.

At this time, the prime minister of the province of Quebec is in Europe, where he very actively is trying to obtain capital with a view to setting up that industry.

Other suggestions were made by my colleagues and others, and I shall not linger on the subject.

Yet, before sitting down again, I want to reiterate a suggestion which I have frequently made in this house. I am sure that it has much merit, as it was made by the Prime Minister of my country (Mr. Diefenbaker), when he addressed the citizens of Canada in 1957. Indeed, in a talk at the Montreal chamber of commerce, on February 19, 1957, he said:

(Text):

Every encouragement must be given to the processing of domestic raw materials in Canada to a much greater degree than prevails, in order that our resources may be utilized to the maximum advantage of the Canadian people.

(Translation):

In the opening speech of his electoral campaign, in Toronto, on April 25, 1957, the Prime Minister made the following statement:

(Text):

We believe that the welfare of Canada demands the adoption of such a policy which will encourage more processing of Canada's resources in Canada.

(Translation):

This is what the Prime Minister said in Campbellton, New Brunswick, on May 4, 1957:

[Mr. Brassard (Lapointe).]

(Text):

If we are to build a country and provide jobs it cannot be done by exporting employment to the United States in the form of raw materials.

(Translation):

In the Halifax *Chronicle-Herald* of May 1, the Prime Minister is quoted as saying in New Glasgow, on April 30, 1957:

(Text):

If the majority of the 10 million tons of ore exported raw from Canada yearly were processed here it would help solve the problem of keeping Canadians at home.

(Translation):

Here is what he said in his own riding of Prince Albert, on May 27 of the same year, as reported in the Prince Albert *Herald* of May 28, 1957:

(Text):

Mr. Diefenbaker's point by point policy included "more processing of natural resources in Canada".

(Translation):

To quote a last statement made by the Prime Minister, here is what he said in Parry Sound, on May 10, 1957, as reported in a Canadian Press dispatch published in the daily *Standard Freeholder* of May 11:

(Text):

In his Parry Sound speech he (the Prime Minister) called for a firm stand on export of raw materials to the United States. A Conservative government would do its best to assure that a larger share of irreplaceable raw materials was processed in Canada "for the benefit of Canadians and to ensure employment".

(Translation):

Mr. Chairman, I agree that the establishment of industries like those is not possible overnight, but those statements were made more than four years ago by the Prime Minister and he then promised the nation that he would do something in that field. If, at least, he had established a committee and requested some experts to examine the possibilities and means to implement what he preached during his campaign. Even if that had not been implemented, I would say that at least he wanted to do something in that field, which he considers one of the most important of our economy, I mean the processing of raw materials in our country. In fact, the Prime Minister even stated that when we shipped our raw materials to the United States, we were exporting our labour force, when we had unemployed in this country.

If the Prime Minister was sincere when he made such a promise—and I do not doubt his sincerity—it is time that something be done in that field because the situation is very serious.

That is a long term measure which he could have caused to be examined, so that it could have been implemented at least four or five years after his coming to power.

Mr. Chairman, in my opinion, what is lacking in some government members, at the present time, is a deeper sense of responsibility towards the common weal of Canadian citizens.

I do not want to resume my seat without telling again the Minister of Labour that I am personally convinced that he made some efforts to correct the situation. But he should consult more with his cabinet colleagues and greater efforts should be made by the government as demanded by the hon. members for Laurier and Essex East (Messrs. Chevrier and Martin), and even the hon. member for Peterborough (Mr. Pitman).

Mr. Chairman, everyone knows—and I said so unequivocally—that I am a bitter opponent of socialism, but I feel that western democratic governments must control unoccupied areas or sectors of our economy in order to strengthen it and to provide work for as many Canadians as possible.

It is not enough to speak highly of the democratic system. That system must prove that it is the best. Indeed, it would be useless for us to crow over the fact that it is the best, if too many Canadians had to wait till spring or summer in order to earn their livelihood and that of their families.

Mr. Morissette: Mr. Chairman, would the hon. member for Lapointe allow me a question?

Mr. Brassard (Lapointe): Certainly.

Mr. Morissette: The hon. member has argued at great length about the steps taken by the government of the province of Quebec in order to fight unemployment. I should like him to tell me why it is that, contrary to a tendency shown in the other nine provinces, the level of employment has gone down in the province of Quebec during 1961 as compared to 1960?

Mr. Brassard (Lapointe): Mr. Chairman, unlike the reply that our friends usually make when they are being asked a question concerning the present administration, I shall not say that we have inherited it. I will say that we have, in the province of Quebec, a prime minister who has shown leadership by the measures he has taken. Most of them are long term measures and they will have a great effect on employment in the province of Quebec.

But what I find most funny with my Quebec friends who are in the house—

Mr. Morissette: Answer my question.

Mr. Brassard (Lapointe): —is the fact that for seven or eight years, the province of Quebec was under an oxygen tent. It has only been released from it a year ago, and some already want it to go running in the streets.

Mr. Morissette: You have not answered my question.

(Text):

Mr. Granger: Mr. Chairman, I should like to speak for a few minutes about one aspect of conditions in Newfoundland which has a direct bearing on the minister's department. I refer to the almost complete failure of the codfishery in many parts of Newfoundland and Labrador during the past season. As the minister is very likely aware, in southern Labrador and the northeast coast of Newfoundland and other parts as well—I speak particularly of my own riding which I know best—the codfishery was almost a complete failure.

Last year the fishery was very poor but this year it was even worse and many fishermen will not have sufficient fish this year to qualify for fishermen's unemployment insurance. This second bad season has caused and is causing acute need in many communities. I wish the minister would consider the possibility of including some of these small fishing communities in his winter works program. I have in mind in particular a community stage building program similar to the one now about to be completed. I think the last community stage in the present program is being built at the present time.

I might add that such a program stands on its own merits as a worth-while contribution toward increasing the efficiency of the fishing industry but it would be doubly important if a community stage building program could be considered at this time in connection with the need for work. This in fact would mean a good program being put to an even better use.

I would ask the minister to consider immediately the advisability of another community stage program to be initiated as soon as possible so that the fishermen in these communities where community stages might be built will have the opportunity of working during the winter to procure the necessary materials. As you know, winter work in Newfoundland, particularly in the northern areas, means late fall or early spring work, but materials for community stages could be procured during the winter.

There is one other point I should like to mention, the desirability of making Newfoundland a separate region in so far as the administration of unemployment insurance is concerned. This matter has been mentioned before. When disputed claims have to be referred to Moncton it means further delay.

I should like to suggest that Newfoundland be made a separate region and that it should not be considered as merely a part of the larger Atlantic region. I should also like to suggest that Gander might be a central place from which such a region could be administered.

Mr. More: Mr. Chairman, I had not intended to speak in this debate. I think those who have been in the house since I have been a member know that I do not rise on many occasions. I do not seek newspaper headlines or rise merely to repeat many of the things that have already been said in a debate. I have listened carefully to the debate on these estimates and I should like to say that the interest shown by hon. members in this problem is no greater than my own. Any individual who tries to wear a particularly bright and shining halo around his head in expressing his concern about these matters is only trying to fool the public and seek publicity.

I think all members who have spoken in this debate have done so because of their serious concern and genuine interest. However, there were many inaccuracies in some of the speeches that were made and I can see only one reason for the continued repetition of these inaccuracies, namely, that there are certain members in the house whose interest in their political future is such that on every occasion they rise to speak they have to conduct a baby election campaign on a provincial or federal basis. I think that those who do these things are much less effective in their presentations to the house. Much has been said at times about interruptions but when some hon. members do these things I suggest that they invite interruptions. I am not given to interruption. I exploded once during the speech of the hon. member for Peterborough and I would apologize to him if I disrupted the tenor of his thought. I should like to bring to the attention of hon. members that I am credited with a couple of interruptions yesterday in this debate. They were not mine. I did not make them and I hope that the member who did will take the opportunity tomorrow to have them credited to himself.

I want to commend the Minister of Labour upon the realistic, proper and responsible manner in which he placed before the committee a factual report of the government program, after the many needles that had been thrust at him in a very polished manner. He gave us a statement of the results and the hopes for the future. He outlined these in a fashion that I think everyone should understand and I want to commend him for it. This was not done in a partisan manner and I believe hon. members of the house who know the minister, know his background and know his interest in this problem, know that his attitude is one of genuine concern and his method is that of co-operation.

The hon. member for Leeds made what I thought was, in many respects, an interesting speech. However, he made some remarks which I am afraid indicate that he has already become infected by the environment of these former cabinet ministers who will not accept the verdict of the Canadian people and realize that the policies they had, for which they claim such glory and greatness, were rejected by these people. The arguments placed before the committee by the hon. member for Leeds were less effective because of this fact.

The hon. member for Trinity raised a matter which bothers me a good deal. It lies on my heart in a heavy manner. I refer to the decision taken by the government, because of the world situation, to recruit for the army and the militia. These steps were taken with only one thought in mind, to provide for the survival of our way of life, our country and our people. The innuendo that this step was taken for the purpose of lessening the impact of unemployment this winter and so that the true unemployment picture would be covered up, is one for which I believe the hon. member should apologize. This suggestion was echoed by the hon. member for Leeds in his speech. I took down his words, and here is what he said: The government is expanding our army, and thank God; that will reduce unemployment. I just cannot understand any responsible citizen of this country, for any purpose whatever suggesting that the government took this step in order to cover up the true unemployment picture. I do not believe the Canadian public will think very much of hon. members who make such suggestions.

I have heard a great deal about the great 22 years of Liberalism and the greatness of those men, some of whom are sitting here now. The only happy warrior amongst them is the hon. member for Bonavista-Twillingate. He is the only one sitting in this house who has said, "The people of Canada kicked us out and I will accept their verdict. I am an opposition man now, but I will be getting back over there some day." There are many hon. members who are unable to make a constructive speech. They introduce extraneous matters, such as provincial elections.

Mr. Chevrier: Your members are experts at bringing in provincial matters.

Mr. More: Some of our members do that perhaps, but I wish they would not follow

the example of some of your members as often as they do. However, I do not intend to do so.

It would seem from the criticism that has been offered in the speeches made since the minister spoke that some members cannot appreciate the information he gave in a factual manner because hon. members have continued to use their narrow arguments purely for the benefit of their political parties.

Mr. Martin (Essex East): We will be back in soon.

Mr. More: I say to the committee that as long as there is one person in this country who is unemployed and who really wants to work, I am concerned. I, too, would say to the government your measures have not done enough. I have had some very good experiences in this connection because I have lived in the one community for over 30 years. On occasion I have been in the position that caused people to come to me. I can recall one boy who came to me on many occasions seeking work. I checked his background, checked his employment picture and tried to help him. I tried to find out what his own efforts had been to find work. On the last occassion I saw him he had another young fellow with him. He introduced me to this young fellow, who was his cousin. I said, where are you from, and ascertained he came from a farm 120 miles from Regina. The boy with whom I had been dealing had been out of work for six months, but his cousin from the farm came into town and found a job within four days. The government cannot do everything. People who try to help cannot do everything. There must be within the individual a real desire and a real effort to find work.

The hon. member can correct me if I am wrong, but I think it was the hon. member for Laurier who said that at no time before 1957 had the unemployment average in Canada been greater than 3 per cent. On page 59 of the French version of the Senate committee report on manpower I notice that in 1950 it was 3.6 per cent; in 1954, 4.6 per cent and in 1955, 4.4 per cent. Those are figures taken from this report. I wanted to make this correction because this is one of those inaccuracies which has been repeated and repeated and I felt I must correct it.

However, I do not believe it has much to do with the problem. We know we have unemployment today. We all want to solve the problem. I want to commend the government for the action they have taken. I believe that towards the end of the remarks of the hon. member for Peterborough, if I understood him correctly, he said that the government planned in the long term. I agree with that. I say to him that some of the measures the government has adopted are long term measures. We heard a remark to the effect that as soon as we removed the tax on automobiles, the Ontario Conservative government imposed a 3 per cent tax. Well, I have lived under your socialist policies, I have lived under your great authoritarian planning and I recall that over 20 years ago the Liberals imposed a sales tax. Your party, who are so honest and keep all their promises, said they would remove this iniquitous tax completely. They took office, but they did not take any action. Then, another election came along and they reduced the tax by 1 per cent, saying that as soon as other sources of revenue were available they would abolish it.

The year before this government took office the province had an income from federal sources, grants and so on of $34 million. Last year this income amounted to some $76 million, but we have not had any reduction in taxation, not a nickel. Before they got the 50-50 deal for hospitalization—

The Deputy Chairman: Order. I take advantage of the pause on the part of the hon. member in order to remind him that we are on the first item of the estimates of the Department of Labour. He seems to be straying a little bit away from that topic.

Mr. More: Many of the other members who preceded me in speaking also strayed from the topic. I am only answering, in the only way in which I can do so, some of the arguments they advanced. I say that we have had over 20 years of socialist rule in Saskatchewan. Those people or that little group of them with all the brains in the country, want to sit in a room and tell you, me and everyone else in the country what we should do. They should look at what is happening in Saskatchewan and find out how futile it is. Democratic free people do not want that sort of planning done for them. In a democracy the people want an opportunity to exercise their skill and to get the benefit for so doing and to expand the economy. That sort of planning does not do it.

We are supposed to have had Utopia in Saskatchewan for almost a quarter of a century, or it is getting on to that length of time. It will not reach that stage, however, because the next election will fix the situation. Nevertheless we have the lowest rate of growth in Canada. Our population has never got back to the figure at which it stood when the socialists came into power. Our people are still going to places where they do not have all these great benefits of these fine planners.

They find it better to go there. Perhaps at the moment they are not well off but they have opportunity. I do not want to see this thing happen at the federal level as then we would really have stagnation of the economy.

An hon. Member: A planned economy.

Mr. More: It has been said that we ran away from the free trade offer at the conference. That reference was made by someone. I do not know whether or not he is a free trader. When he is out west he is quite a free trader and at times I have had occasion to hear him expound his views. But when he is down east and when he is in this House of Commons and is trying to make sure that he comes back here again, it seems to me that he is anything but a free trader inasmuch as he would bar from coming into Canada every foreign automobile that some of our people like to buy and to drive, thereby providing money so that we can have two-way trade.

I heard remarks made about this government's seeking to have more material processed in Canada; I refer to raw material. Yet every time they take some action that would assist in the matter, they are accused of having a high tariff policy.

I think I have said enough. I just say, in closing, that I have not had to speak in the house in order to put my views before a government whose concern is second to none—it is certainly as great as that of any group in this House of Commons—and whose actions indicate that they work closely together, that the program of each department is concentrated and coagulated in order to gain results—

An hon. Member: Coagulated?

Mr. More: The hon. member can pick me up if I use some wrong words. However, I think hon. members know what I mean. I did not prepare a speech and come here with a great deal of material. I am speaking as I feel. When, because he is frustrated and is sitting where he does not want to sit at the moment because of the judgment of the Canadian people, anyone tries to destroy, by insinuations and inaccuracies, the Prime Minister and members of the cabinet, may I say to that person that the next time the people have an opportunity to express themselves by their vote, he will find out that such a policy is futile.

I look forward to the government expanding its projects. I know they are digging fully and completely into these matters and are expanding their projects with a view to reducing this problem. I would not say that I would be complacent, satisfied and happy when the figure reaches 3 per cent, by diligently seeking and looking for improvements, we can reduce it below that figure. The unemployment problem will never be gone, however because there are people who are not built in such a way that they want to work steadily. There are people who would like to relax at the expense of the taxpayers. We shall always have them. However, the lower we can get the figure of those that are unemployed, the happier we should all be, whether or not it redounds to our benefit politically.

Mr. Herridge: I am sure the committee listened with great interest to the speech of the handsome, well-fed and well groomed member for Regina who has had to live under a C.C.F. government for something over 16 years. From the tenor of his speech I presume it is his valedictory address in the House of Commons.

Mr. Jones: He is not quite as well fed as is Clarence Fines.

Mr. Herridge: His approach to the problem of unemployment on the estimates under discussion was somewhat different from that which has prevailed in this debate today. I thought it struck a rather depressing note when dealing with a serious question which we should approach in a non partisan spirit although we may differ in our suggestions as to objectives and proposals.

I listened with great interest to the minister's outline of the government's actions to date and its efforts to meet the unemployment situation. However I must say this. While we welcome and support all the efforts that this or any other government has made to meet this serious problem which confronts members of this House of Commons and a great number of Canadians, I think it is quite fair to say that the minister painted a somewhat rosy picture. In the first instance, we all know that the federal government pays only one-third of the cost of the winter works program. Therefore they must not take credit for more than one third of the expenditure in that connection. In the second place, the government shares with provincial governments the cost of a good many other projects. That is all to the good. Then he mentioned the Pine Point railway. We all know that, if the surveys are not now completed, with winter coming on it is not likely that there will be any employment on that railroad, owing to the geographical location of the road, until some time early next summer.

Then I was rather interested to hear him mention the Columbia river project as a possibility of providing employment. May I say this. In my opinion to mention the Columbia river project is to treat a vision as a reality.

However, that procedure has become rather a habit in these later days in this house.

An hon. Member: Six o'clock.

Mr. Herridge: I am not criticizing the minister as an individual. I am speaking through you, Mr. Chairman, to the minister.

Mr. Martin (Essex East): He is a victim.

Mr. Herridge: He is a victim of the system under which we live. He is Minister of Labour in a capitalist society. I speak to him as a member of the working class, expounding their views.

Some hon. Members: Oh, Oh.

An hon. Member: Six o'clock.

Mr. Herridge: It is six o'clock, Mr. Chairman. Some hon. members are rather anxious for me to conclude.

Some hon. Members: Carried.

Mr. Herridge: In order to facilitate the passage of the estimates I will say on some other item the few things I had intended to say on this one. I do not intend to be long. I do not want to hold up the estimates. However I have one or two gems of wisdom I wish to bring to the minister's attention.

The Deputy Chairman: Shall vote 178 carry?

Some hon. Members: Carried.

Item agreed to.

179. Economics and research branch including research grants and related expenses, $821,935.

The Deputy Chairman: Shall vote 179 carry?

Mr. Herridge: No. It is six o'clock.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at 7.30 p.m.

Mr. Martin (Essex East): I note that in vote 179 there is an increase of $82,008 provided for the economics and research branch this year. I believe there was considerable discussion last year when this item came up. Questions were put to the minister with regard to the kind of reports which are made to him from time to time, estimates for quarter periods ahead or even for 12 month periods ahead, the idea being that as a result of these assessments one might be able to draw some conclusion as to what could be expected in the way of growth of employment or a further increase in unemployment.

We are, naturally, all interested in the unemployment figures as well as in the employment figures. The advisory committee of the unemployment insurance commission has indicated that it believes that in the 1961-62 period there will be unemployment comparable to that which we experienced last winter. Of course, this would be unfortunate and it would have serious economic and social consequences. We all hope this will not be the case. But in the light of the vote provided here, the minister ought to be served with these prognostications as to future levels of manpower and employment.

I think the economics and research branch formerly presided over by the distinguished deputy minister ought to be in a position to inform the committee what we may expect for the next ten or 12 months. I should like to know what the anticipations are for the period until the end of December and for the period from January to, let us say, the middle of June. I have a suspicion that the branch devotes much of its activity to manpower studies. If that is the case the minister should be in a position to give some assessment from the information supplied to him as to the probabilities of employment in the immediate future.

We do know that in the Department of Trade and Commerce in other years a confidential and private economic survey was prepared from which the government could draw conclusions in this regard. We also know that the Bank of Canada prepares summaries, half yearly, I think, as well as yearly. It would be interesting to know, particularly in the light of last year's discussion, what the minister has available in this regard. I made the statement yesterday that the practice has been to issue quarterly statements. This was certainly the practice when I was familiar with the department. These statements were, of course, privileged. They were the minister's prerogative and the hon. gentleman may so regard them now. If that is the case, perhaps within those limits, the minister could, nevertheless, give the committee some indication of what he anticipates would be the employment situation in Canada in the next ten or 12 months.

Mr. Starr: The hon. gentleman answered his own question at the end of what he had to say with respect to the reports. He has had experience as parliamentary assistant to the minister of labour and he must certainly know that these reports are available to the minister. They are compiled by the economics branch from whatever information the branch is able to gather. They make guesses as to what may happen in the immediate future, and only in the immediate

future. These reports are, naturally, available to the minister but, as the hon. gentleman himself pointed out, they are confidential. They have remained confidential and are so at the present time.

Perhaps, Mr. Chairman, you will permit me to say a word about the international labour organization. The hon. member for Vancouver East asked certain questions with respect to the ratification of the conventions which have been adopted by the organization since its inception in 1919. Although that was raised under the first item may I be permitted at this stage to give the information to the hon. member for Vancouver East. I personally look upon the I.L.O. as an important organization. The fact that it has a membership of some 100 countries lends credence to the fact that it is highly regarded by practically all countries in the world.

The Department of Labour has a special section that devotes its time to the functions and activities of the I.L.O. Although it is a matter of regret to me, I personally have not had the opportunity of attending as many of these sessions as I should have liked. My only opportunity was in 1958 at which time I appreciated very much the opportunity to learn of the work of the I.L.O. during my visit. During that short period I observed that the Canadian representatives of workers and employers were treated with great respect. Many of our representatives serve as chairmen of committees and in other responsible positions in the work of the I.L.O. This pleases me very much and I take pride in the fact that the contribution of Canadians is recognized in this way.

Without casting a reflection on the hon. member for Vancouver East may I say in passing that I think he was one who criticized me for being absent from the house at the time of my visit and I have not visited again since then.

Mr. Winch: I am sorry to interrupt but I challenge the minister to produce from the records a statement attributed to me in which I criticized the minister for being absent on official business.

Mr. Thrasher: Read *Hansard.*

Mr. Starr: I believe I returned on the evening of the same day the hon. member questioned my whereabouts.

Mr. Martin (Essex East): I remember an occasion when the minister was precluded from attending because his estimates were not completed.

Mr. Starr: Due in part to the efforts of the hon. member for Essex East I was precluded from attending the 1959 session.

[Mr. Starr.]

Mr. Benidickson: Unemployment levels were very high at that time.

Mr. Starr: I regard the work of the house as being of primary importance, coming before all else. Since its inception the I.L.O. has adopted 115 conventions. I am not too familiar with what happened in the past with respect to the ratification by Canada of these various conventions but since 1957 11 conventions have been adopted by the I.L.O. Conventions Nos. 108, 109, 112, 113 and 114 were adopted in 1958 and 1959. In the main they related to the maritimes and fisheries. Consultations with respect to these five conventions are now being considered by this department and the departments of transport and fisheries with respect to the possibility of ratifying all or some of them. No decision has yet been arrived at and the five conventions are still in process of study.

Mr. Winch: Only one has been ratified since the minister took office.

Mr. Starr: In 1958 we ratified a convention adopted in 1957 with respect to the abolition of forced labour. Convention No. 106 having to do with weekly rest in commerce and offices, No. 107 concerning indigenous and tribal populations, No. 111 concerning discrimination and No. 115 relating to radiation protection, lead us into jurisdictional difficulties. Under our federal system we encounter a snag because these conventions relate to fields which partly come under provincial jurisdiction and thus, under our system, the federal government is prevented from ratifying them.

Mr. Winch: May I ask what steps are being taken to reach an understanding on the matter with the provinces?

Mr. Starr: This is one area where an attempt could be made to rectify the situation through consultation with the provinces and perhaps we could look into this matter.

Mr. Winch: Is the department doing so?

Mr. Starr: I said that we could explore the possibility of achieving some understanding with the provinces in determining whether they would be agreeable to the ratification of these conventions.

Convention No. 110 has to do with the employment of plantation workers and is not applicable in Canada. I feel there is no sense in ratifying a convention that does not apply here.

We are awaiting a legal opinion from the Minister of Justice with respect to convention No. 116 concerning the partial revision of the conventions adopted by the general conference of I.L.O. in 1961.

Mr. Winch: Is that an important convention?

Mr. Starr: We in the department look upon all the conventions as important because we regard the work of I.L.O. as important. If we do not agree that they are important we feel the time to say so is when they are being adopted. Canada has played an important part in many of these conventions, whether or not they are applicable to Canada.

Mr. Pitman: Mr. Chairman, in my opinion this is one of the most important items that comes under the jurisdiction of the minister and so I should like to make some comments and ask some questions at this point. In my view we desperately need concentration on the entire problem of job training and should look for changing patterns of employment for the next 20 or 30 years. I hope to obtain some information in this regard under this item.

In support of my contention I wish to quote from the report of the special committee of the Senate on manpower and employment. At page 7 we find this statement:

> It is essential that we keep the closest watch on changing patterns of employment, on the requirements for the various skills, on developments in foreign and domestic markets, on the effects of technological change, on the implications of changing levels of investment and changing patterns of government expenditure, on the impact of population growth, changing rates of family formation, and changing levels of immigration.

I realize that many of these areas of activity do not come within the purview of this branch of the department but certainly some of them do. The report goes on to say:

> More specifically, steps should be taken immediately to initiate a continuous and comprehensive program designed to provide periodic analyses and forecasts of the size and composition of the labour force and the demand for workers in different industries, areas, occupations, and with different skills.

I note with some consternation that there are only five economists in the employ of this branch. This is a nation of some 18 million people with a labour force of several million persons. I am led to wonder if sufficient research is being conducted in the branch. I am aware that the people dealing with vocational training were very much concerned about the courses that were being set up. They want to know whether there is any point in training a welder. What will the employment opportunities be in five, six or 10 years from now? Is there any point in training a certain kind of pipefitter? Will this particular job disappear? I realize that in a sense this has all the appearance of star gazing and crystal ball gazing as well. Surely we have some bases on which we can operate. Surely we can send questionnaires to employers and industrialists who to some extent know what the pattern of industry is going to be.

It seems to me that economists in the department might well spend their time looking at tables in the *Labour Gazette* and writing a few speeches and preparing reports to which the hon. member for Essex East has referred. I should like to know whether there are any long range research projects going on in the department having to do with this particular area and seeking out the labour problems over the next 10 to 20 years. If so, to what extent are they being carried out?

Mr. Starr: The hon. member for Peterborough quoted from page 7 of the report on manpower and employment. If he had looked at the paragraph immediately preceding the one he quoted he would have seen that the committee said:

> The committee is impressed with the work being carried out in various branches of the federal government.

This of course included the Department of Labour, because the economics and research branch of the Department of Labour made a number of comprehensive submissions to this committee which helped it a great deal in the study it was carrying on.

As far as the recommendations in paragraph 2 are concerned, to which the hon. member has drawn our attention, I can assure him that we are going to do everything possible to live up to the request that has been made in this recommendation.

Mr. Pitman: I am glad to hear that. Is any research project being carried out right now to try to give the employment picture of the future? I have in mind those who are setting up vocational courses for the unemployed in the various municipalities. Is there any possibility of carrying on these studies within the research branch? This is a question which I have thrown at me quite often by those who are operating in this area.

Mr. Starr: They are making this study continually, Mr. Chairman. In the particular field mentioned by the hon. member it would be of some help to those people who are engaged in the training if they knew what type of course they should undertake, and so forth. They can get all the help they possibly need and all the information they require as to the requirements of the labour force for certain skilled workers from our national employment service which has an up to date record in each and every district and area.

Item agreed to.

182. Industrial relations activities including the administration of the Industrial Relations and Disputes Investigation Act, the Canada Fair Employment Practices Act, the Female Employees Equal Pay Act, the Fair Wages and Hours of Labour Act, the Annual Vacations Act, and regulations, and the promotion of labour-management co-operation, $643,798.

Mr. Martin (Essex East): The minister will correct me if I am wrong, but my recollection is that in the speech from the throne two years ago, or some time since then, information was given of the government's intention to bring in amendments to the Industrial Relations and Disputes Investigation Act. Certainly if that is not so, the minister did during the course of the present parliament indicate the government's intention to bring forward other amendments to the act or a substitution therefor. We have not heard anything more about this intention. It seems to have suffered the fate of amendments to the Unemployment Insurance Act and other well expressed intentions of this government such as providing a system of contributory pensions based on the United States experience. There is such a gap between good intention and realization that the minister will not mind if I inquire tonight what has happened to the proposed amendments to the Industrial Relations and Disputes Investigation Act?

Mr. Starr: My nature is tenacious and I like to finish whatever I am trying to do, in the best way I can possibly do so. My intentions with respect to this matter were certainly sincere and I asked labour and management to submit their recommendations and ideas as to what type of amendment should be made to the Industrial Relations and Disputes Investigation Act. This was done in 1958. It took quite some time before the various organizations, labour, industry, industrial organizations and business organizations were able to submit their suggestions. I will be quite frank with the hon. gentleman. I do not know what other course the hon. gentleman would have followed, but I found that management did offer many drastic suggestions affecting labour. On the other hand, labour had very few suggestions. They felt well satisfied with the present act. Under those circumstances I felt that since I did not have a balanced number of suggestions, one offsetting the other, I would not proceed with any changes in the Industrial Relations and Disputes Investigation Act because one segment of the people who are affected by this act seem to be quite satisfied with the act as it stands now.

Mr. Martin (Essex East): The minister's statement is an interesting one. I do not suppose there has ever been a finer tribute paid to the perspicacity and the vision of Mr. Mackenzie King than the statement we have just had from the Minister of Labour. Mr. King was the first Canadian deputy minister of labour and then minister of labour. He played a significant role in labour-management relations. He was the author of this act. That it has withstood the chill blasts of cold winters subsequent to its introduction, is I think an effective and deserving tribute to a man who played such a great part in our national life.

Mr. Starr: May I just make a comment in answer to that. Those amendments are still under consideration and the time may arrive when we might amend this act. In view of what the hon. member said, namely that a great deal of credit must go to Mr. King, I must remind the hon. member that the original act has been amended many times so that it is in its perfect form now.

Mr. Pickersgill: By a Liberal government. I should like to ask the minister a speculative question on this subject. The minister said he was still considering the possibilities of certain amendments. Does the minister think he is apt in this slow motion race to reach the post before the Minister of Citizenship and Immigration does with the famous revisions of the Immigration Act?

Mr. Starr: I realize the humour that the hon. member for Bonavista-Twillingate is endowed with and that he must display it at times; otherwise he might burst at the seams. I have given the reasons why. It is not on account of lack of activity on my part but because of the legitimate reasons I have given, and I was quite frank about them.

Mr. Pickersgill: I am glad the minister recognizes that there is a difference between the legitimate reasons he has given and the reasons his colleagues give.

Mr. Starr: I do not make that comparison at all.

Mr. Winch: I should like to say one word. May I perhaps be so impudent or imprudent as to say that Mackenzie King and R. B. Bennett have been dead for a long while and all honour to their names, but let us now discuss and decide the problems of Canada in the light of conditions in 1961.

Mr. Benidickson: I feel sure that the government in its planning, although we have heard little about it since last December, had in mind some connection between the Department of Labour and the productivity council. When we are considering vote No. 182 having to do with fair wages, hours of labour and so on, I would think that there is a relationship, and perhaps the minister might tell us what

is happening with respect to the productivity council which was talked about last December.

Mr. Starr: I said this afternoon that the productivity council will be meeting on Monday and Tuesday, September 25 and 26, to discuss subjects related to the matter which the hon. member has brought up.

Mr. Benidickson: Which would include hours of work.

Mr. Starr: Labour-management co-operation.

Mr. Martin (Essex East): Will the Minister of Trade and Commerce be back to meet the productivity council?

Mr. Pitman: Mr. Chairman, I recognize that what I wish to say is essentially related to the national employment service but I feel the matter is also of particular concern in connection with the progress that has been made in Canada under the Industrial Relations and Disputes Investigation Act and other labour legislation. I have reference to the possibility of employers using the national employment service to break strikes. An employer goes to the national employment service to get persons whom he wishes to employ in place of those who are on strike. The minister is quite right that the form which the prospective employee receives has the notation stamped on it that he is going to a strikebound plant or to a hotel such as the Royal York, but when a person has been unemployed for many months it is very hard for him to put the labour situation in Canada ahead of the welfare of his own family.

I think this has become a very dangerous precedent and a strikebreaking technique which has all kinds of implications. In my view the whole idea of a strike is that both sides suffer. The employer suffers through not being able to make a profit and the employee suffers through not having his wages. I think the unfortunate practice to which I have just referred has been aggravated as a result of the great unemployment in the last year. I should like to know whether the minister does not feel that some method should be devised whereby a plant where the workers are on strike could be considered as being out of bounds and isolated from normal labour procedures so that the national employment service would not be put in the position of sending people to a strikebound plant to the detriment of the striking employees. I would hope the minister might consider that as a possibility.

Mr. Starr: The hon. member realizes, I am sure, as he has admitted, that the national employment service has been set up to serve the public of Canada and that includes employers and employees. We cannot take sides in these matters. The service has to perform the function for which it was established. If an employer presents an order for a number of men, we do not question the fact that his plant may be strikebound, but in referring men we tell them that we have an order for so many men for a strikebound plant, that a strike is now in progress and that it is entirely up to them to decide whether they want to be referred to the job in question. In addition, the fact that there is a strike in progress is noted on the referral slip. If the person is on unemployment insurance and drawing benefits and refuses to go, he is not penalized. We remain neutral in this situation. If the person refuses to go to the job he can still draw his unemployment insurance benefits whereas if he is referred to a job falling within the classification in which he is listed in a plant which is not strikebound and refuses to go he is disqualified so far as benefits are concerned.

Item agreed to.

183. Civilian rehabilitation branch including payments to the provinces to implement a program for the rehabilitation of disabled persons, in accordance with terms and conditions approved by the governor in council, $270,655.

Mr. Benidickson: To what extent, if at all, is the department involved with the provinces in rehabilitation that might be necessary as a result of injury in a nuclear war? Is the labour department negotiating with the provinces with respect to rehabilitation that might be made necessary by reason of a nuclear war?

Mr. Starr: As the committee knows, parliament approved and passed a bill consolidating the work in the field of rehabilitation of civilians. Until that time we only participated with the provinces and other agencies through agreements. Now we have a bill under which agreements are being negotiated with the various provinces. Only last week the deputy ministers of the various departments interested in civilian rehabilitation attended a conference in Ottawa in order to discuss the terms of the proposed agreements. The act has not yet been proclaimed. Nevertheless, we see no obstacles in the way of agreements being signed shortly so that the whole plan will become effective as of April 1, 1962.

Item agreed to.

Special services—

184. Special services branch including the promotion of a program for combatting seasonal unemployment, the organization and use of workers for farming and related industries and assistance to the provinces under agreements entered into with the provinces by the Minister of Labour with the approval of the governor in council, $498,860.

Mr. Denis: Mr. Chairman, this afternoon we heard speeches about the assistance given to the province of Quebec in order to help remedy the situation as far as unemployment is concerned. Would it be possible for the minister to give us a breakdown under this vote which is for the promotion of a program to combat seasonal unemployment, the organization and use of workers for farming and related industries and assistance to the provinces under agreements entered into with the provinces by the Minister of Labour with the approval of the governor in council? Would it be possible for the minister to give us all the schemes that come under this vote and the amount of money paid by the federal government to the province of Quebec since the inception of every scheme included in the vote?

In order to make some kind of comparison would it be possible to have a table which would also show the money paid to the province of Ontario? I suppose that unemployment assistance and seasonal unemployment come under this vote. Some schemes were started two years ago and others three years ago, and I think it would be very interesting to the committee and also to the Canadian people to know how much money the federal government has provided in order to help the seasonally unemployed or those who cannot receive unemployment insurance benefits. We would be interested in knowing the total amount of money provided by the federal government for these schemes under agreements with the provinces. I suppose the cost is divided 50-50. If I am wrong, the minister will correct me, but I take it that the provinces supply 50 per cent of the money and the federal government pays 50 per cent. Is it possible for the minister to give us a breakdown of the amount of money given by the federal government to the provinces of Ontario and Quebec since the inception of the scheme?

Mr. Starr: Mr. Chairman, there are no agreements with the provinces in respect of this particular vote. This vote provides for the continuation of the publicity program to assist in the promotion of employment in Canada during the winter months. This is done through the newspapers, the radio, films and other media of publicity. The purpose is to bring to the attention of the people the "Do it now" program with which I think the hon. member is acquainted. Some of the provinces have participated in this scheme at their own expense and much in the same way as we do. Private enterprise is doing the same thing across Canada. This is all the vote provides for. There are no agreements with any of the provinces because it is strictly a publicity program.

Mr. Denis: Does the government give money directly to the provinces in order to have this promotional work done?

Mr. Starr: No, we undertake this publicity on our own.

Item agreed to.

Technical and vocational training assistance—

185. Administration, $146,905.

Mr. McGrath: I wonder if the minister could indicate to the committee, under this vote, what projects have been submitted by the government of Newfoundland for the technical and vocational training assistance for approval, and what projects have been approved as well as those projects which are currently under consideration?

Mr. Starr: In Newfoundland the following projects, Mr. Chairman, have been approved: Burin district vocational trade school; Corner Brook vocational trade school; Gander district vocational trade school; Grand Falls district vocational trade school; St. John's college of trade and technical training; Itinerant fishing school district.

Mr. McGrath: Could the minister give the total cost of this program and what projects, if any, are still under consideration?

Mr. Starr: The total cost of the projects approved in Newfoundland under this program, $12,081,591, and the federal share of that is $9,060,093. I know the province of Newfoundland is contemplating other schools but they have not submitted their plans or specifications for approval, consequently I am unable to give any details.

Mr. Benidickson: I should like to ask the minister if this is the vote under which the minister approved a co-operative grant with the province of Ontario for the vocational training enlargement at Fort Frances, Ontario?

Mr. Starr: Yes.

Mr. Benidickson: I thank the minister for his approval of that scheme.

Mr. Rogers: I wonder if the minister would give the same information for Alberta as he did for Newfoundland?

Mr. Starr: Projects approved in Alberta, Mr. Chairman, are, in Calgary, the southern Alberta institute of technology, $1,176,338.80, of which the federal share is $882,254.10; in Edmonton, the C.V.T. commercial school at an estimated cost of $1,920, of which the federal share is $1,440; in Edmonton again, the northern Alberta institute of technology,

$11,791,800 of which the federal share is $8,843,850; in Edmonton, vocational school, $2,300,000, the federal share is $1,552,500. In Lethbridge, there is the junior collegiate and vocational school, $590,000, and the federal share is $398,250. In Red Deer, there is the vocational high school at an estimated cost of $1,365,000, and the federal share is $921,375.

Item agreed to.

186. To carry out the purposes of the Technical and Vocational Training Assistance Act and agreements made thereunder, including authority, notwithstanding section 30 of the Financial Administration Act, to make commitments for the current fiscal year not to exceed a total of $27,108,700—payments to the provinces, $26,600,000.

Mr. Pitman: This particular vote, I think, is of a great deal of importance. It is one of the most important items put forward by the Minister of Labour, but one which I am afraid has caused a great deal of consternation in many parts of this country. It involves, as well as the building of technical institutes and so on, the training of the unemployed. I cannot help but feel that this plan has been less than successful over the last number of months. It seems there has been no pattern set up whereby the local municipality really has any sense of confidence in what it is doing.

On June 9, I asked the Department of Labour just how many municipalities in Ontario had instituted programs for the training of unemployed persons under schedule M. I was informed that only five in the whole of Ontario had done so since April 1, 1961, namely, Brantford, Cornwall, Toronto, St. Catharines and Windsor. When one looks at the courses that are given in each of these centres, one cannot but notice the absence of any kind of pattern. Perhaps this is what I was trying to get at when I was referring to the department of research. I do not feel these people on the local level really know what jobs are going to be available in the future and therefore they are rather reticent about dealing with the problem. The hon. member for Essex East brought up the whole problem of academic training which must go along with this.

The municipality which I represent made a magnificent effort to retrain the unemployed, but this problem came up again and again. Another problem which arose, of course, was that of getting the unemployed into these courses. It seems to me that after the last war we developed a very worth-while system intended to help the veteran find the slot in which he could be placed after he was taken out of the service. I am not sure but what the Department of Veterans Affairs could be of great use in this particular area. It seems to me that surely there could be some counselling service in the national employment office in these municipalities to bring about this kind of program. In Peterborough, they sent out questionnaires to all the unemployed, but then they faced the problem of getting the questionnaires back. The unemployed person has no knowledge of his abilities or the direction in which he should be going. You have, therefore, as many courses as you have people asking for them.

I realize that to a large extent this is a provincial problem but I feel that perhaps the federal government needs to take more responsibility by giving some aid to the municipality which is trying to provide this kind of retraining. One of the questions which I should like to ask is, have municipalities within all the provinces set up retraining schemes for the unemployed since the schedule came into effect in April, 1961?

Mr. Starr: The hon. member said that this problem lies within provincial jurisdiction, and it is one which is more jealously guarded by the provinces than any other. Consequently, it is not our intention to move in on this jurisdiction in any way whatever. All we are trying to do is to help the provinces advance an area of education for the training of certain types of people for whom we feel there is a need in Canada. We have agreements with all the provinces, the whole ten, in respect of this matter.

As an incentive to undertake these courses we raised these contributions from 50 per cent to 75 per cent of the total cost. That includes equipment that is necessary for these courses. This is as far as we go with respect to the direction. There is no direction from us at all. We extend help to these local people—boards of education or whoever they may be—who might be setting up these courses; and in guiding people as to the type of courses through our national employment service offices. That is where the employers put in their orders and that is where they are able to say, "In this area we can place immediately 12 welders", or five barbers, or three hairdressers, or whatever it may be. There is no sense in training people if there is no call for that type of trade in that area. If there is a call in another area, then we will most certainly direct them to that job after the training course is over.

I do not want to take up the time of the committee to explain this. However, last fall we were advised by the pipe line contractors that they had plans for the construction of many miles of gas lines in the province of Alberta, that this work would require specialized welders in this field and that we did not have that type of skill here in Canada in sufficient numbers to fill these jobs. We immediately contacted the three prairie provinces and with their co-operation and that of

the pipe line contractors who supplied the equipment, we were able to train sufficient specialized welders to fill the needs of these pipe line contractors for this year. Consequently, this is planning not in the socialistic way as the hon. member would have it instituted in Canada but it is planning to take care of situations. This is what we are doing and this is what we have done with good results.

Mr. Pascoe: Under this item I should like to commend the minister and the government for what is being done in technical and vocational training assistance. This financial assistance can very readily be seen in the details of payments to the provinces as listed at pages 264 and 265 of the blue book. I will just read two or three of the items:

Assistance to trade and vocational schools, technical institutes, and technical and vocational high schools: Capital assistance, $14,775,000.

Assistance towards operational costs of trade and vocational schools and technical institutes, $3,125,000.

Assistance towards operational costs of technical and vocational high schools, $1,965,000.

Under the heading of "Assistance for Training Programs" we find the following:

Training for unemployed workers, $4,000,000.

That is under schedule M which was referred to a while ago.

I think this indicates very well how much the federal government is paying towards the technical institutes. In the terms of the technical and vocational training assistance bill that was passed earlier this session, the federal government pays 75 per cent of the capital costs of these technical institutes and also of the equipment needed in these institutes. This is a very generous federal offer. As has been pointed out, it is inspired by Ottawa's conviction that much of our unemployment results from lack of training for many in Canada's labour force.

The city of Moose Jaw in my constituency has a fine technical institute built with federal financial assistance. The Minister of Labour was the guest speaker out there in January at the official opening of the institute. He was invited in recognition of the big part the federal government played in making the institute possible. The minister made a tour of inspection of the building. He knows that it was planned to accommodate technical and vocational classes until 1965 at least. He will be interested to know that the institute is already being used to capacity. In fact, it might now almost be described as being overcrowded. I have here figures in regard to training for schedule M, the special winter training for the unemployed. It indicates that more are being enrolled now than it had been anticipated would be taking these classes, in 1965. On the grounds on which the institute is built there is room to double the size of the building. I suggest that this expansion should be undertaken as soon as possible, by next year at the very latest.

In his statement in the house last December the minister said that the success of any vocational or training program depends upon the supply of qualified instructors. I am sure that all in this committee will agree with this statement. The Moose Jaw institute has qualified instructors. What the institute needs is greater space for classrooms and workshops. I am drawing this matter to the minister's attention, although I know the initiative with regard to expansion must come from the provincial government in Regina. The Saskatchewan government has indicated that it is considering enlarging the Moose Jaw institute. I hope the minister will encourage the provincial government to undertake this needed expansion as soon as possible.

Mr. Denis: May I ask the minister whether he will be good enough to give us a breakdown by provinces of the money spent under this item during the last five years. At the same time I should like to know under what item we would get information with regard to the winter works program and unemployment assistance. In 1960 I asked in the house a question about the winter works program and I was answered by the Department of Labour. I later asked some questions about unemployment assistance and the answer came back from the Department of Labour. I have been looking everywhere in these estimates but I do not find anything that relates to this winter works program or to unemployment assistance. I should be greatly interested in knowing the amounts paid to each province during the last five years so that we could get a clear picture of how much money has been given away by the government to each province, in order to prove that since 1960 when the Liberal regime came into power in Quebec, they did much more to help with the problem of unemployment in the province of Quebec than did the previous government which declared that unemployment was not any part of its responsibility. The new regime in Quebec decided that it was a responsibility not only of the federal government and of the provincial government but of the municipal governments and of every person who wants to see his neighbour have some work in Canada.

Mr. Starr: I cannot read all these figures but I shall be glad to table them for the information of the hon. member. They go

back to 1957. These tables give the capital and operating costs for each province for vocational training.

The Deputy Chairman: Has the minister leave to table the statistical table which he has just produced?

Some hon. Members: Agreed.

Mr. Pickersgill: It is understood that these tables will be printed in *Hansard*?

Some hon. Members: No.

Mr. Pickersgill: That has been the usual practice.

The Deputy Chairman: I would ask the hon. member for Bonavista-Twillingate to reflect upon the amount of statistical material that is here.

Mr. Pickersgill: This has been done over and over again, Mr. Chairman. I can assure you there is no precedent created here.

Mr. Starr: I have no objection.

The Deputy Chairman: Does the committee give its unanimous consent to the printing of these tables.

Some hon. Members: Agreed.

[*Editor's note: The tables above referred to are as follows:*]

VOCATIONAL AND TECHNICAL TRAINING AGREEMENT NO. 2

Capital Expenditures (Federal Share)

Province	1957–58	1958–59	1959–60	1960–61	Total
	$	$	$	$	$
Newfoundland	1,971.65	4,490.44	6,104.07	37,933.99	50,500.15
Prince Edward Island	18,030.26	56,932.04	95,467.03	4,459.56	174,888.89
Nova Scotia	—	19,737.58	686.50	1,556.46	21,980.54
New Brunswick	18,555.25	20,149.90	72,871.09	567,413.52	678,989.76
Ontario	—	1,200,430.00	1,530,145.49	1,496,174.48	4,226,749.97
Manitoba	13,547.74	10,874.16	33,379.13	60,718.76	118,519.79
Saskatchewan	15,660.66	73,285.13	830,371.64	366,195.08	1,285,512.51
Alberta	732,130.54	941,923.71	12,618.27	22,920.37	1,709,592.89
British Columbia	108,975.15	271,113.51	553,493.42	299,220.92	1,232,803.00
Northwest Territories	—	35,982.99	—	—	35,982.99
Yukon	—	23,000.00	—	—	23,000.00
Total	908,871.25	2,657,919.46	3,135,136.64	2,856,593.14	9,558,520.49

OPERATING COSTS OF ALL PROGRAMS

(Federal Share)

	1957–58	1958–59	1959–60	1960–61	Total
	$	$	$	$	$
V.T.T.A.—2	936,345.32	2,137,803.02	2,004,344.57	2,309,787.03	7,388,279.94
Apprenticeship	1,331,747.59	1,674,591.44	1,790,496.80	1,638,046.79	6,434,882.62
Unemployed Workers	397,474.82	510,479.99	545,450.91	995,942.16	2,449,347.88
Disabled Persons	270,362.62	265,924.74	283,286.45	329,566.98	1,149,140.79
Armed Service Tradesmen	37,683.56	33,281.70	30,024.65	18,500.00	119,489.91
Correspondence Courses	2,142.57	2,293.16	769.29	1,794.23	6,999.25
Supervisory Training	9,316.63	7,789.68	8,524.75	13,766.02	39,397.08
Other Government Depts.	2,139.54	—	—	665.76	2,805.30
Student Aid	201,003.25	230,882.50	215,845.00	187,171.05	834,901.80
Youth Training and Primary Industries	111,444.34	132,700.54	117,590.24	100,877.03	462,612.15
	3,299,660.24	4,995,746.77	4,996,332.66	5,596,117.05	18,887,856.72

OPERATING COSTS—V.T.T.A.—2
(Federal Share)

VOCATIONAL SCHOOLS AND INSTITUTES, VOCATIONAL HIGH SCHOOLS

Province	1957-58	1958-59	1959-60	1960-61	Total
	$	$	$	$	$
Newfoundland	71,048.74	87,954.35	82,424.36	77,359.80	318,787.25
Prince Edward Island	35,281.53	42,992.09	28,089.68	13,576.08	119,939.38
Nova Scotia	127,453,76	139,796.19	158,444.61	181,226.95	606,921.51
New Brunswick	117,400.00	117,400.00	137,700.00	158,000.00	530,500.00
Ontario	—	1,113,577.53	807,324.00	953,442.00	2,874,343.53
Manitoba	136,368.71	132,025.84	165,906.33	189,848.47	624,149.35
Saskatchewan	98,933.55	126,447.38	167,504.85	201,708.78	594,594.56
Alberta	177,000.25	177,037.00	211,031.00	245,225.25	810,293.50
British Columbia	171,187.10	190,600.00	227,800.00	264,900.00	854,487.10
Northwest Territories	1,671.68	3,463.73	15,429.86	10,754.91	31,320.18
Yukon	—	6,508.91	2,689.88	13,744.79	22,943.58
Total	936,345.32	2,137,803.02	2,004,344.57	2,309,787.03	7,388,279.94

APPRENTICESHIP TRAINING
(Federal Share)

Province	1957-58	1958-59	1959-60	1960-61	Total
	$	$	$	$	$
Newfoundland	45,534.81	46,053.80	64,241.14	34,637.35	190,467.10
Prince Edward Island	—	—	—	—	—
Nova Scotia	77,897.10	82,331.62	88,895.69	96,458.40	345,582.81
New Brunswick	60,838.08	71,927.46	94,253.92	98,832.67	325,852.13
Quebec	—	—	—	—	—
Ontario	306,175.21	519,512.24	498,686.83	564,634.20	1,889,008.48
Manitoba	91,004.50	76,346.81	88,491.22	80,786.09	336,628,62
Saskatchewan	120,949,47	124,945.80	142,642.32	152,696.85	541,234.44
Alberta	355,051.86	391,005.00	471,096.55	445,465.13	1,662,618.54
British Columbia	273,934.06	362,164.90	341,924.79	164,194.60	1,142,218.35
Northwest Territories	362.50	303.81	264.34	341.50	1,272.15
Yukon	—	—	—	—	—
Total	1,331,747.59	1,674,591.44	1,790,496.80	1,638,046.79	6,434,882.62

[The Deputy Chairman.]

OPERATING COSTS—TRAINING OF UNEMPLOYED WORKERS (FEDERAL SHARE)

Province	1957-58	1958-59	1959-60	1960-61	Total
	$	$	$	$	$
Newfoundland	—	—	—	49,103.19	49,103.19
Prince Edward Island	—	—	—	—	—
Nova Scotia	174,741.75	164,991.06	141,856.46	234,071.61	715,660.88
New Brunswick	16,449.44	39,431.43	30,824.26	75,045.12	161,750.25
Quebec	—	—	—	40,295.97	40,295.97
Ontario	20,440.16	29,369.91	9,025.82	17,516.95	76,352.84
Manitoba	45,926.31	53,666.08	88,775.25	163,692.71	352,060.35
Saskatchewan	37,145.72	54,889.93	53,420.51	119,024.09	264,480.25
Alberta	51,185.74	78,801.35	104,077.48	157,636.81	391,701.38
British Columbia	51,462.20	89,088.60	117,096.70	139,055.71	396,703.21
Northwest Territories	123.50	241.63	374.43	500.00	1,239.56
Yukon	—	—	—	—	—
	397,474.82	510,479.99	545,450.91	995,942.16	2,449,347.88

OPERATING COSTS—DISABLED PERSONS
(Federal Share)

Province	1957-58	1958-59	1959-60	1960-61	Total
	$	$	$	$	$
Newfoundland	11,310.79	12,500.00	12,500.00	10,325.67	46,636.46
Prince Edward Island	3,500.00	3,565.52	1,744.32	967.31	9,777.15
Nova Scotia	32,582.81	40,176.97	35,074.01	45,322.05	153,155.84
New Brunswick	50,846.46	44,896.22	43,443.63	49,594.10	188,780.41
Quebec	—	—	—	—	—
Ontario	101,691.42	98,830.71	112,352.69	153,048.62	465,923.44
Manitoba	26,869.42	19,134.10	27,945.03	22,604.79	96,553.34
Saskatchewan	18,015.46	17,928.27	22,527.26	23,663.57	82,134.56
Alberta	10,246.97	15,198.50	15,709.51	17,161.99	58,316.97
British Columbia	15,299.29	13,694.45	11,990.00	6,878.88	47,862.62
Northwest Territories	—	—	—	—	—
Yukon	—	—	—	—	—
Total	270,362.62	265,924.74	283,286.45	329,566.98	1,149,140.79

STUDENT AID

(Federal Share)

Province	1957-58	1958-59	1959-60	1960-61	Total
	$	$	$	$	$
Newfoundland	8,000.00	8,000.00	8,000.00	8,000.00	32,000.00
Prince Edward Island	5,500.00	5,500.00	5,500.00	5,500.00	22,000.00
Nova Scotia	10,000.00	9,995.00	9,970.00	9,965.00	39,930.00
New Brunswick	—	30,000.00	15,000.00	14,975.00	59,975.00
Quebec	—	—	—	—	—
Ontario	100,000.00	100,000.00	100,000.00	100,000.00	400,000.00
Manitoba	8,315.75	7,450.00	4,700.00	7,500.00	30,665.75
Saskatchewan	30,000.00	30,000.00	29,975.00	30,000.00	119,975.00
Alberta	10,462.50	10,000.00	10,000.00	10,000.00	40,462.50
British Columbia	28,725.00	29,937.50	30,000.00	—	88,662.50
Northwest Territories	—	—	—	631.05	631.05
Yukon	—	—	—	600.00	600.00
Total	201,003.25	230,882.50	215,845.00	187,171.05	834,901.80

OPERATING COSTS

(Federal Share)

Province	Youth Training (less Student Aid)		Primary Industries	
	1957-58	1958-59	1959-60	1960-61
	$	$	$	$
Newfoundland	20,227.59	23,865.29	19,872.76	17,300.48
Prince Edward Island	243.75	1,302.07	2,394.29	—
Nova Scotia	23,260.36	30,718.15	26,416.09	25,811.84
New Brunswick	13,165.76	35,457.83	28,882.25	28,416.47
Quebec	—	—	—	—
Ontario	—	—	—	—
Manitoba	7,653.51	5,820.77	6,726.60	8,105.60
Saskatchewan	17,034.70	17,816.42	16,834.96	16,117.14
Alberta	9,551.93	6,231.46	10,627.39	4,107.49
British Columbia	19,919.74	11,333.55	5,835.90	418.01
Northwest Territories	387.00	155.00	—	600.00
Total	111,444.34	132,700.54	117,590.24	100,877.03

[The Deputy Chairman.]

OPERATING COSTS—ARMED SERVICE TRADESMEN

(FEDERAL SHARE)

Province	1957-58	1958-59	1959-60	1960-61	Total
	$	$	$	$	$
Quebec	2,848.84	—	—	—	2,848.84
Manitoba	11,111.74	8,846.17	1,045.07	—	21,002.98
Alberta	23,722.98	24,435.53	28,979.58	18,500.00	95,638.09
Total	37,683.56	33,281.70	30,024.65	18,500.00	119,489.91

OPERATING COSTS—SUPERVISORY TRAINING

(FEDERAL SHARE)

Province	1957-58	1958-59	1959-60	1960-61	Total
	$	$	$	$	$
Ontario	4,136.29	4,316.14	4,607.77	5,193.44	18,253.64
Manitoba	225.00	—	122.75	—	347.75
Alberta	811.74	981.87	847.52	850.79	3,491.92
British Columbia	4,143.60	2,491.67	2,946.71	7,721.79	17,303.77
	9,316.63	7,789.68	8,524.75	13,766.02	39,397.08

OPERATING COSTS—CORRESPONDENCE COURSES

(Federal Share)

Province	1957-58	1958-59	1959-60	1960-61	Total
	$	$	$	$	$
Newfoundland	—	—	—	—	—
Prince Edward Island	—	—	—	—	—
Nova Scotia	—	—	375.00	—	375.00
New Brunswick	—	—	394.29	—	394.29
Quebec	—	—	—	—	—
Ontario	2,142.57	—	—	1,794.23	3,936.80
Manitoba	—	—	—	—	—
Saskatchewan	—	—	—	—	—
Alberta	—	—	—	—	—
British Columbia	—	2,293.16	—	—	2,293.16
Northwest Territories	—	—	—	—	—
Yukon	—	—	—	—	—
	2,142.57	2,293.16	769.29	1,794.23	6,999.25

Supply—Labour

OPERATING COSTS—TRAINING FOR OTHER GOVERNMENT DEPARTMENTS

Province	1957-58	1958-59	1959-60	1960-61	Total
	$	$	$	$	$
Ontario	2,139.54	—	—	—	2,139.54
Quebec	—	—	—	665.76	665.76
	2,139.54	—	—	665.76	2,805.30

Mr. Badanai: During my remarks on the first item yesterday I endeavoured to point out the deplorable condition of the unemployment insurance office at Fort William. Today I received a report from the manager of the office which I requested a few days ago—

The Deputy Chairman: The hon. member for Fort William will find that this subject might more properly be discussed on item 188 which is coming up shortly.

Mr. Pitman: The remarks made by the Minister of Labour only serve to illustrate the point which is being raised. This is a national problem, but we are trying to deal with it on a municipal scale. I can assure the minister that the local authorities are in complete confusion about what to do. For example, in June, 1960, there were 200,000 unemployed in Ontario. There were 103 who graduated from this course. In all the courses of Ontario, including St. Catharines, the number was 687 at a time when the unemployment figure was as high as 200,000.

I think this is an indictment of a program which the minister himself told us was going to deal with this problem in a realistic way. I realize the provinces are jealous of their rights with regard to education, but we are speaking now not of education as it is generally understood but of vocational training. This does not involve a language or a culture. I should like to know the extent of this program. This summer hundreds of vocational schools were empty. How many were engaged in training unemployed persons? I should like to know how many unemployed were being trained during July and August.

Mr. Martin (Essex East): Before the minister replies may I speak briefly on this subject? I think that what the hon. member who has just resumed his seat was saying has great validity. One of the problems facing us with regard to unemployment is, according to the government's own spokesmen, that many of those who are now unemployed do not possess the necessary skills to enable them to be assigned to certain jobs which are available. While what has been done is commendable, it will be recalled that when the amendments to the Vocational Training Act were brought before us last fall, we pointed out that this program did not go far enough in meeting the problem.

I mentioned yesterday the inadequacy of the program—a program, by the way, which represents an amendment to an act which has been in existence for a long time. The present government did not introduce this act. What this government introduced were amendments to an act, which, as the hon. member for Bonavista-Twillingate reminds me, came into being in 1910.

Mr. Chambers: You should have done it in the fifties.

Mr. Martin (Essex East): The hon. member always says: you should have done this, or you should have done that. Hon. gentlemen opposite including the parliamentary secretary to the Minister of National Defence who intervened a moment ago, should know the answer in advance. The fact is that his colleagues are in office. It is they who are confronted with this terrific problem of unemployment. One of the ways of meeting that problem is to provide people with the necessary training so that they can assume jobs for which they are not at present fitted. But to demonstrate the inadequacy of the program, and in support of what has been said by the hon. member for Peterborough, let me recall what I said yesterday, namely that more than 2,600 applicants representing 70 per cent of the total applicants for vocational training in Toronto were rejected, because they did not have the necessary foundation to take the training which was being made available under this arrangement between the federal and provincial governments. How can a scheme be said to be meeting the problem, when more than 70 per cent of the applicants are said not to possess the qualifications necessary before the training can be undertaken? That is what the hon. member was seeking to establish. We are not going to make a real contribution toward the solution of the unemployment problem until we recognize the necessity of providing those

who lack these skills with the opportunity to acquire them. It is true that the administration of this program is something which comes within the authority of the provinces, but it is the federal government which provides 75 per cent of the capital cost, and surely in any agreement this government makes with the provinces it ought to be possible for the government at least to use its persuasive powers—its good offices—to see that the administration in the provinces is carried on in such a way as to meet the objective which the federal government and, I am sure, the provinces themselves have in mind.

This is what the hon. member is seeking to establish. I am sure that from my own interest in this problem—and I am not speaking now, politically, because this is too important a matter for that—I would welcome anything that could be done to make this program work more effectively. We cannot sit back and pretend we have solved the problem merely by voting money to the provinces to enable them to carry on certain projects. That is an important contribution, it is true, but we must go further and see that our people are provided with the facilities for training in all sorts of jobs—jobs in television and in many branches of electronics, for example. They must not only be given a basic training, let us say, in electronics, but training must be given to them so that they can appreciate the nature of the more advanced training they are to be given. There are all kinds of private schools in this country engaged in teaching people electronics. That is all to the good, but there is a responsibility which rests on this government and on provincial governments. If hon. gentlemen opposite want to solve this problem of unemployment this is one of the ways by which it could be done.

Mr. Denis: I thank the minister for tabling details of the training scheme and of the payments made to the provinces during the last five years. But I also asked the minister to let us have a list of the money spent in every province since the inception of the respective acts concerning unemployment assistance, and upon the winter works program.

As I said, I do not see anything in this vote that relates to it. When I ask questions in the chamber I do not understand why they are answered by the Department of Labour. I suppose the minister is aware of the expenditure of money by the federal government to assist those unemployed who do not qualify for unemployment insurance. I wish to know what amount of money has been expended by the federal government to each province since the inception of the municipal winter works program.

Mr. Starr: Mr. Chairman, the hon. member, of course, will have an opportunity to ask for that information when the estimates of the Department of National Health and Welfare are before us because this matter comes under the jurisdiction of that department.

The hon. member also requested the amount paid to each province since the inception of the municipal winter works program. I ask the unanimous consent of the committee to have this information in table form printed in *Hansard* at this point.

The Deputy Chairman: Is it agreed that the tables presented by the minister be printed at this point in *Hansard*?

Some hon. Members: Agreed.

[*Editor's note: The tables above referred to are as follows:*]

MUNICIPAL WINTER WORKS INCENTIVE PROGRAM

PAYMENTS TO PROVINCES

Program 1958-59

Province	Expenditure		
	1958-59	1959-60	Total
	$	$	$
Newfoundland	—	24,770	24,770
Prince Edward Island	—	1,019	1,019
Nova Scotia	—	338,208	338,208
New Brunswick	60,651	174,294	234,945
Quebec	—	1,426,170	1,426,170
Ontario	—	1,995,588	1,995,588
Manitoba	50,604	351,582	402,186
Saskatchewan	33,689	225,672	259,361
Alberta	—	1,069,161	1,069,161
British Columbia	103,919	602,923	706,842
Northwest Territories	—	6,456	6,456
Total	248,863	6,215,843	6,464,706

MUNICIPAL WINTER WORKS INCENTIVE PROGRAM

Payments to Provinces

Program 1959

Province	Expenditure		
	1959-60	1960-61	Total
		(To Mar. 31/61)	
Newfoundland	—	38,581.94	38,581.94
Prince Edward Island	288.51	—	288.51
Nova Scotia	—	213,049.69	213,049.69
New Brunswick	136,518.29	54,400.15	190,918.44
Quebec	—	1,685,739.40	1,685,739.40
Ontario	—	2,447,483.54	2,447,483.54
Manitoba	30,896.21	251,245.38	282,141.59
Saskatchewan	96,455.11	607,724.34	704,179.45
Alberta	—	1,544,863.99	1,544,863.99
British Columbia	110,477.18	1,206,989.85	1,317,467.03
Northwest Territories	—	367.05	367.05
Yukon	—	2,263.40	2,263.40
Indian Bands	—	5,329.48	5,329.48
Totals	374,635.30	8,058,038.21	8,432,673.51

MUNICIPAL WINTER WORKS INCENTIVE PROGRAM

1961 PROGRAM

	Paid 1960–61	Paid 1961-62 to Sept. 18, 1961	Total	Being Processed
	$	$	$	$
British Columbia	519,789.31	2,273,499.93	2,793,289.24	122,212.82
Alberta	—	2,396,890.66	2,396,890.66	130,492.28
Saskatchewan	181,595.62	636,154.37	816,749.99	270,933.45
Manitoba	7,918.59	410,880.55	418,799.14	137,353.71
Ontario	—	1,283,301.59	1,283,301.59	283,790.50
Quebec	—	6,289,750.35	6,289,750.35	1,711,406.19
New Brunswick	141,342.45	165,847.80	307,190.25	33,830.81
Nova Scotia	7,288.69	227,889.32	235,178.01	—
Prince Edward Island	406.04	534.24	940.28	—
Newfoundland	—	143,933.89	143,933.89	14,530.17
Yukon	535.20	86.62	621.82	—
Northwest Territory	—	2,500.45	2,500.45	441.00
Indian Bands	4,500.00	59,679.34	64,179.34	19,800.18
	863,375.90	13,890,949.11	14,753,325.01	2,724,791.11

Mr. Denis: I have another request Mr. Chairman. Our good friend who is a Conservative member from the province of Quebec always says that spending this money under a joint agreement with the federal government is a crime against the economy, and I should therefore like to have the yeas and nays called in order to see how the hon. gentleman would vote.

Mr. Pickersgill: Before you call the yeas and nays, Mr. Chairman, I wish to put a question to the minister. I take it that under this vote expenditures of three types are made. One is for capital works, one is for a share of the cost of the administration of schools in so far as they are attended by young people who are not yet in the employment stream, and the third is for assistance to persons who are in the employment stream but are unemployed for the time being. Could the minister tell us how much of the total vote is for the third purpose? That is to say, could the minister advise how much of the total is for assisting unemployed persons to obtain technical or vocational training?

Mr. Benidickson: Mr. Chairman, that question is also of interest to me. I have examined the details as found at page 264 of the estimates. There is, of course, a large sum for capital assistance which I think relates to the kind of thing about which I asked the minister earlier such as assistance for the vocational school at Fort Frances. There is a breakdown on page 264 of this large amount. I believe my deskmate is concerned, as I am, about assistance for training unemployed workers. It is suggested that $4 million is required for the fiscal year 1961-62. I would imagine this is without regard to age or any other restriction. We are concerned about unemployed persons.

We have reached the half year point in our 1961-62 program. I should like the minister to indicate to the committee to what extent there has been activity in co-operation with the provinces under this $4 million vote. Having heard from the provinces at almost the half year point is the minister able to say whether the $4 million will be fully expended in the current fiscal year and, if so, on what type of project concerning which he has been in touch with the provinces?

Mr. Starr: I believe the hon. member for Kenora-Rainy River answered the hon. member for Bonavista-Twillingate when he said there is an appropriation of $4 million which I think is the information the hon. member required.

Mr. Pickersgill: What I wished to know was elaborated much better by my colleague. I could read the figure of $4 million. Obviously this was just a figure more or less plucked out of the air.

Mr. Starr: It is an estimate.

Mr. Pickersgill: What I was interested in was how much had already been spent on unemployed persons, which is the information my hon. friend also sought.

Mr. Starr: We do not know what expenditures the provinces will make in respect of this type of training and $4 million is the figure we put in the estimates. We are continually encouraging the provinces and have offered them an incentive in that we will pay 75 per cent of the cost. Up to August 31, 1961 our payments to the provinces in this respect have amounted to $507,000-odd, from March 31 to August 31. Our information is not complete but the provinces advise us there will be a more vigorous program during the fiscal year in the training of unemployed than has been undertaken before. There is no discrimination as to age with respect to the training of these people. As at March 31, 1961, there were more than 5,000 persons in training in the provinces across Canada. From April 1 to July 30 there were in excess of 2,000, making a total of more than 7,000. In 1960-61 in excess of 10,000 were trained. I realize that much more should be done in this field but I wish to make clear that we are not wedded to the figure of $4 million and if a larger sum were required we could return to parliament with a supplementary estimate which I am sure would be approved.

Mr. Benidickson: I do not think any hon. member of the committee will quarrel with the statement the minister just made. The minister indicated that at the end of the last fiscal year there were approximately 5,000 persons undergoing training under this vote.

Mr. Starr: Yes, at that time.

Mr. Benidickson: Yes, at the end of the last fiscal year. We are asked today to consider a vote of $4 million for a similar program for the year that will end on March 31, 1962. With all due respect to the minister and having regard to the total unemployed, the figure the minister gave is not very impressive. Neither, perhaps, is the amount of the vote. But accepting it as it is, we have almost come to the half way point in the fiscal year 1961-62. The minister indicated that commitments made to the provinces under this $4 million appropriation amount to slightly more than half a million dollars.

Mr. Starr: Actual payments.

Mr. Benidickson: Yes. Perhaps the minister will indicate to us what actually is in hand. What are the provinces doing for those people who should be at the top of our consideration these days? We make massive expenditures in other directions, but surely there is nothing more important than trying to do something to train, as this grant says, the unemployed workers. I do not want statistics; I do not want details. I simply want a few examples from the minister of what the provinces are doing in the present fiscal year to account for the expenditure of our 75 per cent share of $507,000.

Mr. Starr: I am informed that in Ontario and Quebec we expect to have people in training under this program to the total of about 10,000. This is in those two provinces alone.

Mr. Benidickson: I think the minister will appreciate the fact that I was directing my thoughts to him in a way that would indicate I was interested in the kind of training, the skills, and so forth that are in contemplation.

Mr. Starr: There is a very wide variety of skills. They are listed here alphabetically. I am sure the hon. member would not want me to take up the time of the committee to read them. If he wants the list printed in *Hansard* I shall be glad to have it done.

The Deputy Chairman: Does the committee give unanimous consent to the printing of these lists in the record at this point?

Some hon. Members: Agreed.

[*Editor's note: The tables above referred to are as follows:*]

NUMBER GIVEN TRAINING FROM APRIL 1, 1960 TO MARCH 31, 1961

Course	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.
Agriculture		5								
Auto Body	11			12			37	29		3
Barbering				7			18	2	4	6
Cabinet Making				9						
Carpentry	7	6		62				89	1	17
Boatbuilding										1
Commercial	8		184	6		87	245	3	139	428
Cooking			61				48		7	30
Drafting	9	1				51	76			11
Diesel	11	5	27			51	105			9
Dressmaking				22						
Electricity	5	2		14		19	79	22		12
Bulldozing										4
Hairdressing							40	2	68	148
Handicrafts				1						
Machine Shop	5		62			45	19			9
Pipeline Welding							29	23	124	6
Motor Mechanics	10	5					54	155		17
Nurses Aides				103			138	280	382	150
Oilburner Servicing						13			1	
Plumbing and Pipe Fitting	7	2					16	42		
Power Sewing				19						29
Radio and Electronics	51	3		2		98	143		1	28
Refrigeration							18			
Shoe Repair							3			5
Sheet Metal			41	12			1	18		
Stationary Engineering	7						26			11
Television							44			
Upholstering							21			
Watch Repair							15			
Welding	24	4	133	14		130	156	30	5	64
Waitress									19	
Woodworking							18			
Miscellaneous									6	4
Various*		61		92			68	124	180	170
Total	155	94	508	375		494	1417	819	937	1162

* See over.

** Part-time 643.

VARIOUS *

NUMBER GIVEN TRAINING FROM APRIL 1, 1960 TO MARCH 31, 1961.

Course	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.
Accounting							33	14		
Advanced Technology										1
Aeronautics										2
Art										4
Bricklaying		7		10				6		
Fisherman's Seamanship		23								
Flakeboard				34						
Gen. Vocational Training										136
Heavy Duty Mechanics										1
Heavy Equipment Operator										4
Loom Fixers				9						
Machine Drawing							35			
Machine Operating										
Medical Technology										1
Metis								47		
Navigation		31								
Painting and Decorating								36		
Plastering								6		
Printing				5						
Timekeeper and First Aid										21
Upgrading				34				15		
Vocational Preparatory									180	
Total		61		92			68	124	180	170

PART-TIME**

NUMBER GIVEN TRAINING FROM APRIL 1, 1960 TO MARCH 31, 1961.

Course	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.
Automotives									100	
Baking									1	
Basic English									29	
Blueprint Reading									40	
Bookkeeping									59	
Bricklaying									1	
Drafting									80	
Electricity									46	
Gasfitting									1	
Plumbing									20	
Retail Cashiering									20	
Steamfitting									22	
Trade Mathematics									17	
Typing									86	
Welding									121	
Total									643	

Mr. Pickersgill: I should like to ask the minister one question before we have the vote. Can he tell us just precisely what assistance, if any, is given to the unemployed persons while they are taking this training? I realize of course that the federal government is paying a substantial share—in my opinion it should be 100 per cent—of the cost of the training of the unemployed persons. I do not say that for the people who are not in the employment stream. What I am trying to get at is, what assistance is given to unemployed persons so they will be in a position to take those courses? In many instances those unemployed persons have not enough income to look after themselves and attend those courses. This is particularly true with respect to unemployed persons who are no longer in receipt of unemployment insurance and may be on relief. Is any special allowance given to those people? Is it given directly by the federal government or is there any assistance at all?

Mr. Starr: Every province has its own specific allowance for the people who are in training except the province of Manitoba. It varies but in most cases it is equivalent to and in some instances more than the unemployment insurance they may be receiving at the time, or if they were not receiving any unemployment insurance, then the living allowance equivalent to it. To all this the federal government contributes 75 per cent.

Mr. Pitman: Judging by the minister's remarks, we have to conclude that this program has certainly not been a roaring success. I think it is particularly upsetting to dump money on the provinces, particularly on the percentage basis, because it costs them money to accept it. In addition it seems to me that the provinces simply are not directed. They simply do not know where they are going in this whole business.

I asked a question a few minutes ago and I should very much like to get an answer to it. As I said, there were thousands of vocational schools across this nation which were not too busy in the months of July and August. Here was an opportunity to give six weeks training to a great many of the unemployed throughout this nation. I should like to know how many were being trained during July and August? Even if the provinces do not send reports, I should like some indication, if it is at all possible to give it, of how many people are being retrained? The minister mentioned 10,000 in Ontario and Quebec. Can he give us the numbers for the rest of

Canada, possibly up to the end of December? The only way we can judge the success of this program is by knowing what percentage of the total unemployed are actually receiving this kind of training.

Mr. Starr: I might say to the hon. member that this represents only a segment of those people who are undergoing training in technical skills in various institutions across this country that educate people in technical schools. Some 368,000 are under training now; but under this program, where we give the incentive to the provinces to undertake special courses for training the unemployed, as of April 1—I said this a few moments ago—or from April 1 to July 30 there were 2,173; but these courses are going to be continued during the winter months. I said a few minutes ago that in the two provinces of Ontario and Quebec 10,000 people will be under training under this scheduled grant to which the federal government contributes 75 per cent.

The hon. member was engaged in school teaching in Peterborough. Surely he knows the jurisdiction in these matters. He knows that the provinces do not condone any infringement by the federal government of their rights in the field of education. I am sure that if the hon. member approaches the provincial governments and helps us to persuade them to undertake more of this training plan it would be very helpful.

Mr. Pitman: I can assure the minister that I will do everything I possibly can to assist.

While I am on my feet I should like to thank the minister for the assistance which was given toward buying machinery in one of the schools for the retraining program. But what bothers most of us is this. In my particular constituency there was an organization of unemployed workers. Their hopes were raised on high because they felt they were going to be retrained, not just a few, not just 2,000. There was going to be a vast training of unemployed people. That was certainly the impression received from the publicity which emanated from this chamber. Certainly the feeling I get, as I am approached by these people, is that we let them down. They have not received this training. Some of them have received training, of course, and are concerned because they are not receiving jobs. However, this is another problem.

What I am suggesting is that it is a monstrous problem and we have to make a response to it which is in keeping with the problem.

Mr. Starr: Mr. Chairman, I do not think any impression was given in this House of Commons at any time that a particular municipality would have a training school established by the provincial government.

If the hon. member has not been of any help to the unemployed in his area in trying to establish a school I shall be glad to undertake it and take it up with the minister of education of the province of Ontario and urge him to set up a training school in Peterborough for the unemployed because the hon. member did not know when to approach.

Mr. Pitman: I can assure the minister that one of the most successful areas where training for the unemployed was carried on was in Peterborough. In fact, I was told more people were being trained in Peterborough last summer than in the whole city of Toronto. I can assure the minister that they have been very active in that particular area.

Mr. Starr: The hon. member has been giving the wrong impression up to now.

The hon. member for Moose Jaw-Lake Centre asked a question when he spoke last in respect to the provincial government's intention to enlarge the technical institute at Moose Jaw. I am sorry I did not reply. I can assure him that if it is along the same lines as the one that is in existence now, undertaking the same type of course, there will be no problem in approving federal grants.

Mr. Pickersgill: Mr. Chairman, there is one comment I cannot resist making after what the minister said to the hon. member for Peterborough when the minister talked about the jealousy of the provincial governments with respect to their jurisdiction over education. I do not believe there is any provincial government in this country that considers that education means the training of the unemployed. I think every provincial government would welcome the day when the minister, as he probably will just before the next election, gets around to announcing the fact that the federal government will pay 100 per cent of the cost of training the unemployed, as it should have done from the beginning. We on this side of the house have advocated this from the day that the hon. member for Trinity, who is not here this evening, first proposed it two years before the government got around to doing anything substantial about it. To hide behind a phony argument like that is no answer at all. If it were applied, of course, to the training of the young there might be something in it, but in the case of people who have already gone into the labour force and have then become unemployed, to suggest that to pay the shot for these people will be considered by the provinces as an invasion of their jurisdiction over education is the

most Alice in Wonderlandish argument that has ever been produced in the house.

Mr. Starr: The silliness we have just heard from the hon. member for Bonavista-Twillingate is in line with what we hear all the time. His arguments have no foundation at all. All he says is that it should be more. I venture to say that if the federal government did say "we will pay 100 per cent" he would jump up on his feet and ask for 110.

Mr. Pickersgill: Anybody who has paid any attention to my career in public life in this house, either on the other side or on this side, knows that there is no hon. member more concerned about saving the taxpayers' money than I am. I have not advocated extravagant courses, but we in the Liberal party think it is not extravagant to train the unemployed so they can earn their livings. It is a great deal cheaper to do that than it is to be paying relief and unemployment insurance when these men might better be working and adding to the productive wealth of the country. That is why I say in this particular instance that the greatest incentive you can give to the provincial governments and municipalities to do a good job in this field is to pay the whole cost in respect of those persons who are unemployed and being trained under this scheme.

The Deputy Chairman: The question is on vote 186.

Item agreed to: Yeas, 52; nays, nil.

Government employees compensation—

187. Administration of the Government Employees Compensation Act, $121,391.

(Translation):

Mr. Denis: Mr. Chairman, before we pass this item, I should like to point out that all the hon. members from the province of Quebec who object to it are never here to vote, but come in immediately after the vote.

Mr. Chambers: Mr. Chairman, it is out of order to comment on the vote of the hon. members.

(Text):

Mr. Valade: Mr. Chairman, I rise on a question of privilege. The hon. member for St. Denis was looking at me when he made the remark he did. I came in just after the vote and I must explain why I missed the vote. After looking at the face of the hon. member for St. Denis for about ten minutes I had to have a little bowel movement and I excused myself for that purpose.

The Deputy Chairman: Order. I do not think the hon. member would want to leave that on the record.

Mr. Valade: Mr. Chairman, since I was accused I have to give the reason why I was absent. The hon. member for St. Denis has cast doubt on the reason for my absence and I have no other answer to give the hon. member than this purely physiological reason.

Mr. Denis: I did not mention the hon. member for St. Mary but if the hat fits him let him wear it.

Item agreed to.

Unemployment insurance commission—

188. Administration of the Unemployment Insurance Act including expenditures incurred in connection with other duties and responsibilities assumed and carried out as required by the governor in council on the recommendation of the Minister of Labour in accordance with section 4 of the act, $45,542,980.

Mr. Badanai: Mr. Chairman, during my remarks on the first item yesterday I endeavoured to point out the deplorable condition of the unemployment insurance building in Fort William. Today I received a report from the manager of the office.

Mr. Starr: I wonder whether the hon. member would permit me to bring to the attention of the chairman of the committee that we have two supplementary votes under labour which have nothing to do with the unemployment insurance commission and perhaps the committee would be good enough to consider those two supplementary votes at this time.

The Deputy Chairman: The votes referred to by the minister are Nos. 533 and 534.

Items agreed to.

The Deputy Chairman: We will now return to vote 188.

Mr. Badanai: I wish to point out to the committee for the third time that conditions in the unemployment office at Fort William are deplorable. With your permission, Mr. Chairman, I wish to refer to a brief but very eloquent statement of the manager of the local unemployment insurance commission office at Fort William which I received today in a letter dated July 20, 1961. He points out that they had a heavy downpour of rain the day before which flooded the entire basement to a depth of four inches. He says that they are worried about their stock room and that the floor there has heaved and looks like it may cave in. He goes on to say that the manager's office had water running over the floor because the overflow pipe could not carry the excess water away fast enough. He points out that staff members are worried that an accident may result from someone going through the first floor. He says that the officials of the Department of Public Works have been notified, that they will carry on as best they can

under the circumstances, that they will do everything in their power to prevent any accidents and that the staff are being warned accordingly. He says that he felt I should have this information in view of their immediate request that consideration be given to providing them with new premises.

The question is, has the minister any information to give the committee about the prospects for a new building to accommodate the unemployment insurance commission office at Fort William? This question is not a new one. It has been talked about over the past two or three years at least and the minister is well aware of the situation. I hope he has something concrete to say.

Mr. Starr: Mr. Chairman, we realize, as the hon. member for Fort William does, how necessary a new unemployment insurance commission building is in Fort William and in our planning we have been most anxious to have one built for us by the Department of Public Works. However, certain matters have stood in the way and certain complications have developed as a result of a change of plans by the Department of Public Works in one instance because they felt that they would like to house all the federal government departments there in one building. We, of course, would like to have a separate building. At the moment, there is a full investigation being conducted by the Department of Public Works as to the possibilities of either a new building or some better type of building than that in which we are housed at the moment. This is the extent of the information I can give the hon. member at the moment.

Mr. Badanai: Would the minister see to it, then, that an investigation is made and furnish me with a report or furnish the people of Fort William with a report about the possibility of some immediate action?

Mr. Starr: It is difficult to do that when no decision has been arrived at, but the hon. member can be assured we will be pressing at all times for immediate action in this connection.

Mr. Herridge: This item provides also for the national employment offices, which are included in the offices of the unemployment insurance commission, so I should like to speak on the subject for a few minutes. I intended to speak on item 1, but I did not want to delay the estimates. I point out that while governments at the federal, provincial and municipal level do what is within their capacity financially to meet the unemployment situation, private business fails to accept its responsibility in many aspects in this country. I have seen numerous illustrations of this. They reap the profits and then leave the governments to bind up the wounds of the industrial unemployment casualties, without accepting any responsibility whatever. Their decisions as to their operations are not related to the national interest or to needs of the employees but are, generally speaking, related to the rate of profit, the development of automation and also, because they are under the control of international cartels, are related to various monopolies in various fields. On the whole, they accept no responsibility to the state or to the workers concerned.

If I may illustrate, Mr. Chairman, I would say I received a letter today from the unemployed workers of Windsor. It points out that the automobile companies are laying off workers and at the same time going in for overtime. I am not going to deal with that because I know the hon. member for Essex East is very interested in that problem and intends to deal with it. Then, we have the illustration of the Canadian Pacific Railway on many branch lines in Canada, particularly the Kettle Valley Railway, reducing the service to the area from which they get their greatest profit without any regard for the employees or the circumstances that exist or the welfare of the district concerned. The government also knows that prominent coal mining interests in the maritimes have not played the game, not accepted their responsibilities so far as meeting the present circumstances are concerned. They have failed to co-operate with this government to do what they could to continue employing persons who are at the present time being laid off for the reasons I have mentioned.

Then, I come to the question of Algoma Steel. I want to mention this as an illustration particularly of how international cartels are frustrating government intentions. You get this under a capitalist society. I want to quote briefly from a book entitled, "The Power and the Money", by F. W. Park. I should like to quote particularly from the chapter headed "Shifting Patterns of Power".

> Dosco, the other major steel producer acquired by the Roe group, has had a long and enormously complicated history. Inefficient management, bitter opposition to the demands of labour have characterized its past. Since the war it expanded under the presidency of L. A. Forsythe, Montreal lawyer. Forsythe died on January 1, 1957, and soon thereafter rumours began to circulate that other interests were seeking control. Dosco owns "almost unlimited" iron ore reserves at Wabana, Newfoundland, and Cape Breton coal; its Sydney steel mill is strategically situated for export markets.
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> The first stage in the bringing together of this new steel alliance was the purchase of Algoma through an intricate series of operations that show how quickly international groups of financiers and industrialists can combine for common profit and how little attention is paid in this process to any concept of national interest.

Some $60 million in cash was needed to buy a substantial block of Algoma shares from the Dunn estate. Here two new groups enter the scene in alliance with A. V. Roe of Canada. First is the West German firm of Mannesmann A. G. headed by Wilhelm Zangen, the other is the group controlling the McIntyre Porcupine gold mining interests. Mannesmann, as will appear, put up some $24 million, and McIntyre Porcupine between $12 and $13 million. The balance was supplied by the Roe interests and the Royal Bank of Canada.

Then, they go on to deal with the international investments of these various companies in countries in Europe, South America and other places.

The Mannesmann firm was established in 1885. By 1938 it employed 50,000 workers and owned coal mines, iron mines, smelter and rolling mills, with a distribution network that extended from Germany to Argentina . . .

Zangen, head of Mannesmann since 1934, was one of the executive council of WASAG, the Nazi munitions trust, along with Krupp, Stinnes, Vogler and Poenagen. A member of the Nazi party and of the SS, he was one of the group of big German industrialists who financed the Nazi rise to power and provided the armaments for Hitler's conquests.

The Deputy Chairman: Order; I think the quotation is getting a bit long and I would have to have the consent of the committee if it is to continue.

Mr. Herridge: I have just concluded, but I have two comments to make, Mr. Chairman. I will conclude at that point and accept your chastisement, Mr. Chairman. In any event, while this McIntyre Porcupine group were piling up profits and investments, they have been receiving substantial sums from the federal government under the Emergency Gold Mining Assistance Act, $808,942 in 1955 and $688,081 in 1954.

Then, dealing with the fact that this company is investing millions and millions in other countries, not in Canada, after receiving subsidies from the Canadian government under the Emergency Gold Mining Assistance Act, the article goes on to state that the company is investing tremendous sums of money in South America and other countries.

Mr. Chambers: On a point of order, Mr. Chairman, may I suggest that we are not discussing the Emergency Gold Mining Assistance Act.

Mr. Herridge: No, Mr. Chairman, but I am allowed to discuss the fact that a company receiving assistance from this government in order to enable it to carry on in one field, takes its profits from operations in that field and invests them in another country while workers in Canada are unemployed.

Mr. Chambers: On the same point of order, Mr. Chairman, may I ask what the relevance is to the item under consideration?

Mr. Herridge: Unemployment, because these offices related to this vote try to place Canadians in employment. I think the hon. member is a bit unfair. I have been rather restrained during this discussion.

The Deputy Chairman: I might speak on behalf of the hon. member who has the floor to indicate that he previously forfeited his time to some extent on item 1 in order to get the estimates under way. I think, therefore, the Chair should allow him fair and reasonable latitude.

Mr. Herridge: I thank you very much for your consideration, Mr. Chairman, but I did want to bring this point out. We criticize the government, whether it is the federal, provincial or municipal government, but under our present system the government is not entirely in control of this particular situation. Here are these large monopolies and corporations receiving the benefit of Canadian funds and reinvesting their profits in other countries while we have natural resources undeveloped and workers unemployed. I just want to make this point. The point of view of the party to which I belong is that the only remedy is in some effort at planning by the persons who are responsible either directly to the parliament of Canada or the legislatures of the provinces. We are told there has to be planning to provide control of natural resources and their development, for the manufacture of a greater proportion of our raw materials in Canada instead of shipping them out of the country to such an extent as is done today. If you control the sources of energy, such as electrical power, then add to that the control of the raw material, then you can get federal-provincial co-operation to give the impetus to get this country moving in the direction where the governments elected by the people are going to do something to meet the unemployment situation.

I just rise to make these few observations because I am confident that, regardless of the best intentions of the government, under the present circumstances we must grasp this nettle with both hands and ensure that the parliament of Canada governs for the people of Canada and is not going to continue to govern for those interests who have no respect for the national interests or the people of this country under these circumstances.

Mr. Rapp: I should like to ask the Minister of Labour whether consideration has been given to bringing farm labour under the Unemployment Insurance Act. The minister will recall that I have brought this problem of our farmers to his attention on previous occasions. I am sure this problem of ours will get worse before it gets better. With the

advent of automation on the farm, the farmer finds it difficult to find labour skilful enough to operate the highly mechanized implements he needs at the present time. Unless attention is given to this problem and a solution is arrived at, namely that of bringing farm labour under the Unemployment Insurance Act, it is my opinion that the farmer will suffer severely.

From past experience I know that when harvest time comes along, farmers are not able to get operators who are able to run these implements. They are able to obtain employment somewhere else where skilled labour is required and where, when they are not employed the whole year around, they are under the Unemployment Insurance Act. This is not the case with the farm labour. I would seriously request the minister to take this matter into consideration when the Unemployment Insurance Act is revised or amended.

Mr. McMillan: I wish to raise a matter which the hon. member for Niagara Falls and I have brought to the attention of the minister on two or three occasions. On April 24 last, a number of unemployed came here to Ottawa in order to present a brief to the government. Those in our area—and I cannot give the exact number although I think it is 11 or 12—were disqualified as to unemployment insurance benefits while they were here in Ottawa. They were disqualified by a local official of the unemployment insurance commission. The reason given was that they were unavailable for work on that day. An appeal was taken to the board of referees which met in St. Catharines, and there was a split decision. Two members of the board voted to disallow the appeal and one voted to allow it. Those voting to disallow the appeal asserted that the men should not have their appeal allowed because they were not available for work on that day. The one who gave the minority report asserted that he thought they had fulfilled their obligation by reporting to the office that they were going to be away and gave the reason therefor. When that appeal failed, the men appealed to the umpire and the case was scheduled to be heard last Monday, but up until now I have not heard what decision there has been. I think it should be the inalienable right of all citizens to come here and make a presentation to the government without penalty. I think this is the very basis of our democracy. In reading over the evidence, I think I can say it was agreed that these men were honest, that they said openly in the office in Welland why they were coming to Ottawa and that they did not try to hide the facts in any way. Unfortunately for them, however, April 24 was the date on which they were obliged to report to the office and, according to them, sign in at the office. I do not know exactly what that means. I know of a number of other unemployed who were here and probably they did not have to sign in on that day. I know that a number of unemployed were here from Windsor, Hamilton, Toronto, Oshawa and Peterborough; and to my knowledge not one of the other unemployed from those centres has had a disallowance of his unemployment insurance benefits. If I may give my lay opinion, I would say that the government is labouring too much the argument with regard to these men being unavailable for work when, in fact, there was no work for them. I do not find any criticism of the board of referees because they were giving their decision within the context and the ambit of the regulations. Injustice can result, however, because of lack of foresight and because of lack of ingenuity on the part of man to anticipate all the complexities for which he must provide in the regulations and in the statutes. Since we have been here in Ottawa, I think we have seen examples with respect to the statutes. In fact, it is said that the fathers of confederation could not foresee everything that has happened in order to include it in the British North America Act. If we cannot include everything in the statutes how can we include everything in the regulations when we do not pay as much attention to the regulations?

In my opinion there has been injustice here. I think too much emphasis has been given to the consideration of whether or not these men were available for work. The unemployment insurance commission in Welland did not call their homes or did not try to get in touch with them on that particular day. I think that the department here should be a little more humane and should use common sense. Had they done so, I think this matter could have been cleared up a long time ago.

Mr. Carter: I just want to take one minute of the committee's time. First I want to support the request made by my colleague from Grand Falls-White Bay-Labrador that Newfoundland be made a separate region as far as the administration of unemployment insurance is concerned. I do not wish to expand on that request. In his remarks he has given all the reasons for it and there is no need to repeat them here.

The other reason why I am on the floor is to ask the Minister of Labour or the unemployment insurance commission to make a special exception for dragger fishermen. I have in my riding a number of fishermen who leave Newfoundland and join a dragger fishing out of Nova Scotia. These people leave their homes in early January and are away practically the whole year. The vessel will go on refit perhaps in the summer months when the fishing is perhaps not so good, but

it is not possible for them to go to the expense of going home at that time. They therefore find other work or get on some other boat which is still fishing. But after being away for nine or ten months, around Christmas time they do feel an urge to join their families, like the rest of us. If they do they are penalized for leaving work voluntarily—they are disqualified under present regulations from coming home to see their families, and if some other operator happens to offer them another job on another dragger while they are home they are further disqualified. These people are not protected. They are not given any holidays under any legislation we have on the statute books, and the only chance they have of getting a holiday is to take one in this way. I think they should be entitled to special consideration and that some way should be found to avoid having to disqualify these people if they return to see their families after seven or eight months. I should like to see some system worked out so that they could rejoin their families after working for a certain period without being disqualified from receipt of unemployment benefits.

Mr. McFarlane: I have a problem here which I should like to bring to the minister's attention. It concerns the payment of agents for making out unemployment insurance claims. At the present time, in many of the smaller townships and more remote areas the commission has appointed agents to handle the work rather than go to the expense of setting up offices. At times it has been very difficult to obtain suitable men to do this work and the difficulty has been accentuated by the fact that the department will only pay $1 per application. The agent in the area is required to return all correspondence and, nine times out of ten, to return the unemployment insurance book to the regional office, in respect of which he has to pay postage. Thus the agent makes approximately 75 cents per application. In many of the offices in the larger centres where accommodation is provided I am sure the cost per application would work out at a great deal more than $1.

I am unable to find out exactly how this figure of $1 has been arrived at. I presume the applications have been handled in some of the larger offices where everything is convenient and where the claimant is an English speaking person and the costs have been based on that. But in many of these rural areas it is a problem even to understand some of the applicants who come into the offices or homes of the agents. I feel all this should be taken into consideration and that in the circumstances the payment of $1 is not sufficient.

We have allocated over $33 million under this vote, and I feel that an increase in the payment made to agents is desirable. I have here a certain amount of correspondence, some of which relates in particular to the appointment of an agent in Golden, British Columbia. I would point out that if a man applied for benefit in Golden and if his application could not be dealt with locally he would have to make a return trip to the regional office which is 380 miles away. The round trip would cost approximately $19 and applicants for unemployment insurance are not in a position to pay out travelling expenses of this kind. So I say that some consideration should be given to increasing this payment. The department, in the correspondence I have received from them, simply says "no" and that is supposed to be final, but I think the question should be given further consideration at this time. The agents are doing a good job in the smaller centres and rendering a valuable service to the public, especially to those who are in the unfortunate position of being unemployed.

Mr. Martin (Essex East): The hon. member for Kootenay West mentioned that I had received some representations from a Windsor unemployed organization, and that I proposed to say something about them. He had spoken to me earlier about this matter. I indicated that I had received these representations and that I intended to bring them to the attention of parliament and the Minister of Labour.

These are representations made by this organization of unemployed in the city of Windsor. These representations have been addressed to the Minister of Labour in this government, to the minister of labour in the province of Ontario and to the federal and provincial members from the county of Essex. The representations include an allegation that in certain automobile plants, not only in Windsor, lay-offs have taken place in large numbers; that some of those lay-offs include skilled tradesmen and that they have taken place at a time when there has been a scheduling of an overtime program covering as much as from 16 to 30 hours and more a week, though many are unemployed. This is a matter which concerns the hon. gentleman not only in his capacity as minister, because it applies as well, to the General Motors plant in Oshawa. I am sure he would want this matter looked into. I bring this matter forward as a representative from the city concerned with this problem. I have no hesitation in saying that at a time when there is a high level of unemployment, although responsibility for meeting that situation rests

primarily, I believe, on governments a responsibility likewise rests on employers to see that they in turn are doing everything in their power, having in mind all the problems which confront them, to see that men and women are not unemployed. I think the Minister of Labour would want to be satisfied that people were not being left idle at a time when they could be put to work, particularly if there is a heavy scheduled program of overtime work. I do believe a more conscious effort, on the part of some employers as well as by governments, could rectify this problem.

I hope the minister will take a look at this memorandum which I propose to discuss with him at the earliest possible moment in order to see what correction can be made in this situation.

Yesterday I put before the committee and, particularly, before the minister, what I believe is one of our major grievances on these estimates at this time. The minister spoke this afternoon. I missed a few moments of the early part of his statement. If he covered this matter then, I do, of course, acknowledge that I may be in error in repeating the matter tonight. But in the absence of an explanation, I want to reiterate that I believe this government treated this parliament with contempt when it announced the appointment of a royal commission to enquire into the Unemployment Insurance Act, shortly after we adjourned in the month of July.

I have no objection to the fullest examination being made of the Unemployment Insurance Act by those who are competent to make recommendations as to what changes should be made to make that act more effective; nor have I any objection to anyone outside of this house indicating to us and to the government how the perilous state of the unemployment insurance fund could be dealt with. I believe this problem is a responsibility of parliament, but primarily it is the responsibility of this government. I believe when the government turns over to a royal commission a matter of this sort, and particularly when it does so under the circumstances attending this situation, it leaves itself open to the indictment that it is transferring to a royal commission the examination of this problem, to escape its own responsibility, especially when we realize how long this problem has been before the government.

We have had recently tabled the latest report of the unemployment insurance advisory committee for the year ending March 31, 1961. This report bears close examination by hon. members of this committee. At page 1 the committee reports that the balance in the unemployment insurance fund as at March 31, 1961 was $184,685,000. The report goes on to point out that by May, 1962 there will be nothing left in the fund if the present levels of unemployment or levels comparable thereto persist in the ensuing period. This is a very serious situation.

We have continually reminded the government, during the course of this session in particular, but also in other sessions, of the dangerous state of the fund. All hon. members know that in 1956 the fund stood at over $900 million. We are now told that at the end of the last fiscal year the fund was down to $184 million. The report points out that by May next there will be nothing left in the fund unless something is done to bolster it. We have repeatedly asked the Minister of Labour and the Minister of Finance what the government was going to do. We asked if the government was going to bolster the fund by increasing the contributions. We indicated that if this course were followed we, in the Liberal party, would consider it an unconscionable thing to do particularly in the light of the action taken by the government two years ago, when it increased the contributions from 25 per cent to 55 per cent, imposing this added burden on the employees and employers of our country at a time when there was no change in the pattern of benefits.

If the government proposes to resort to that formula once again it will certainly meet with very strong response from those in the Liberal party who opposed this remedy so vigorously two years ago. As we all well recall, it was the Liberal party and none other that took that course in the house when we levelled criticism against the government at that time.

The government has now referred this matter to a royal commission. The Prime Minister does not call it that; he said it was a committee. The reason the Prime Minister does not use the phrase "royal commission" is because he has understandably become somewhat sensitive to the criticism directed at his government, that it is a government of royal commissions. The fact is, as I indicated yesterday, this government has appointed no less than fourteen different royal commissions to deal with matters which could have been dealt with by the government. During its appeal to the people in 1957 and 1958 the government promised it would resolve the questions which were covered in the references to these royal commissions.

This is one question the government said it would resolve. It has now turned over to a royal commission the responsibility for investigating the problem. We do not know when a report will be made. The commission has

not yet begun its public hearings, which I believe are to begin some time in October. We have had no indication from the Minister of Labour as to when this commission will report. He will have an opportunity to give an indication with respect to that question this evening. We also have had no indication as to whether the report will be received early enough to permit the government to bring down legislation before we go to the people in a general election.

The government owes it to parliament and to the people of Canada, to state what its position is with regard to amendments to the Unemployment Insurance Act and with regard to what the government proposes to do to bolster the fund, particularly in view of the fact that in the previous session of 1959-60—not in the session that adjourned in the month of July—it asserted that it had definite views as to what amendments should be brought forward. The government indicated at that time that those amendments would be brought forward in legislation at the earliest possible moment.

When we met last November at the beginning of this session we were solemnly told in the speech from the throne by Her Majesty's representative that the government was going to bring down amendments to the Unemployment Insurance Act. During the course of this session various members of this party have asked the Minister of Labour to say when the legislation foreshadowed in the speech from the throne would be presented. The minister said these matters were under careful consideration and would be presented in due course.

I believe it was on March 9, during the course of debate that I suggested that the government had then had in its possession for some eight months a special study presented to it by the unemployment insurance commission, containing a whole series of recommended amendments to the Unemployment Insurance Act. The minister did not deny that that was the case. The minister cannot say he did not have before him a carefully considered body of recommendations presented by the unemployment insurance commission, composed of experienced people specially endowed to deal with this problem.

As late as May 9 last the minister said in the house as reported at page 4555 of *Hansard* of that date:

> —a careful study of the report of the advisory committee leads to only one conclusion, namely that the situation cannot be met simply by merely appropriating money through parliament to meet the payments from the fund. It is evident that what is required is a careful review of the act, something which we are undertaking with the officials of the unemployment insurance commission and with others, with a view to incorporating amendments that will restore the full effectiveness of the scheme.

When asked if the amendments would be introduced this session he said "of course, they would." He acknowledged that this had been mentioned in the speech from the throne. Two days before we adjourned, I asked the minister when we were going to receive the amendments to the Unemployment Insurance Act. The minister's reply was that the matter was under study and that the government's policy would be announced in due course. There was no suggestion then that we were going to have a royal commission, that the government was going to shelve its responsibility, that the announcements in the speech from the throne were going to be thrown aside or that the government was going to ask someone vicariously to give consideration to a matter about which the government told us it had definite views. There was nothing of that sort at all. We were again told the policy of the government would be "announced in due course." We had the right to expect when we returned, as we have returned, that we would have those amendments before us, and that a committee of this house would be established for the purpose of studying the amendments.

It cannot be argued that the amendments are so complicated, so difficult, that they defy consideration by the House of Commons, because the whole Unemployment Insurance Act, introduced by Mackenzie King as the leader of the Liberal party in the dark days of the war was not referred to a royal commission. It was referred to a committee of this house. It was a committee of this house which considered the legislation and put it into such form as to make it properly presentable to the committee of the whole and later to the house itself for approval. This is the course that should now be followed. Instead, we adjourned on July 13; we went to our respective constituencies and on July 27 the Prime Minister announced the appointment of a royal commission, to do something which this government said it was ready to do in the month of January.

I say, Mr. Chairman, the course taken by the government and by the Prime Minister on July 27 amounts to nothing less than contemptuous treatment of parliament. This is not the first time this has been done. It was done by this government on several other occasions. We tried to get the report of the advisory committee to the unemployment insurance commission in June 1960. As I indicated yesterday, and I repeat now, because

the minister has not commented on this important phase of administration in his department, on the very last day of the session, when we asked whether there would be a tabling of the report of the advisory committee, we were told by the minister that it was not ready. And yet, before six o'clock, before we had prorogued, the report was clandestinely tabled under our procedures with the Clerk. Only late that night, and after we had prorogued, did we learn of the existence of the report and of its terms. That was also holding parliament in contempt. Now we have had a repetition of this by the reference of this matter to a royal commission, composed of worthy gentlemen, who have no electoral responsibility to the workers of this country, as we their elected representatives have. I say this government has dodged this issue.

Mr. Speakman: Nonsense.

Mr. Martin (Essex East): My hon. friend says "nonsense". This is his conventional repartee to any indictment made against a government which he so blindly supports.

The fact is that, along with other members, the hon. gentleman was elected to consider measures of this kind. He was not elected to transfer that responsibility to others, who were not elected.

This government has appointed 14 royal commissions. It has reported on only two of them. I suspect we shall have no report on this one, until long after a federal election and then it will be the responsibility of a Liberal government to deal with the recommendations made to it by this commission.

This is a vital matter, Mr. Chairman, one which affects thousands of people in this country who have a financial stake in the unemployment insurance fund. This fund does not belong to this government. It does not belong to the people of Canada. In the main the unemployment insurance fund belongs to two classes of our people. In law or in any other way this government has no right—

Mr. Spencer: The hon. member believes that?

Mr. Martin (Essex East): Of course he believes it and so does the hon. member for Essex West. This is a matter that vitally affects thousands of people in the city of Windsor, as it does in other sections of Canada.

My hon. friend and others may laugh. This is an important matter to the workers of our country. This government has treated this matter in a shameful way. I can hardly believe that the Minister of Labour was in any way a party to this devious practice. I can hardly believe that the minister who looks at me so sympathetically now—

Mr. Starr: That is right.

Mr. Martin (Essex East): —approves of this device. I am sure that in the month of January the minister wanted to bring forward a bill providing for amendments to the Unemployment Insurance Act, but I suspect that some of his colleagues, perhaps the Minister of Finance who is now in Vienna, did not agree. Nevertheless, when Her Majesty speaks as she was made to speak in the speech from the throne last January—

Mr. Benidickson: November.

Mr. Martin (Essex East): Last November,—she spoke for the government of Canada.

Mr. Spencer: Corrected again.

Mr. Martin (Essex East): Hon. gentlemen may think that an undertaking given through the mouth of Her Majesty's representative may not be important, but under our system of government it is important. This government has disregarded this fact; it has thrown parliament aside. What does parliament matter? "As soon as the session is over we will relieve ourselves of this embarrassment; we will turn the matter over to a royal commission", said the government. The commission will not report until after the election. The government will be saved the embarrassment of doing something which it should have assumed. The government believes it got away with it in the Clark report. It hopes it will get away with it so far as the Unemployment Insurance Act is concerned.

If this is the policy of this government, then I am sure the Minister of Labour will conclude his estimates tonight on a very sour note. This government has failed to discharge a responsibility about which it made a commitment two years ago to the country. This parliament, the employers and the workers are no wiser now as to what kind of changes are going to be made to an act the benefit of which we all recognize, particularly at this time of unprecedented unemployment in our country.

Surely the minister cannot fail to reply, to give us the reasons for this devious course taken by a government that is not inexperienced in the art of device.

Mr. Regier: Mr. Chairman, once again I am going to occupy only a limited number of minutes of the time of this committee. I should like to remind the committee—and I am speaking now to both Liberal and Conservative members of the committee—that half a dozen or so years ago I noticed that there were over $900 million in the unemployment insurance fund and I said at that time

that if ever an economic recession hit the nation what then appeared to be an immense amount of money might disappear overnight and the fund would be in danger or on the verge of bankruptcy. I can still hear, almost as if it were yesterday, the hoots and the catcalls that I received from both the Liberal and Conservative members of the house on that occasion.

Now the Liberals are blaming the Conservatives because the fund has been depleted and is facing bankruptcy. However, by their lack of foresight the Liberals even yet are responsible for the economic difficulties facing this nation today. I regret that, despite the election promises, the Conservatives have been unable to remedy the situation. We have had supplementary budgets, baby budgets and regular budgets and I do not know how many new names we will invent for budgets, but I noted with pleasure the announcement of the Minister of Finance in his latest budget speech indicating a willingness on the part of the Conservative government of the day to make a loan to the unemployment insurance commission in order to ensure that the unemployed will be able to obtain their legitimate benefits as prescribed by the act.

Mr. Speakman: Would the hon. gentleman permit a question? Would he define their legitimate requirements?

Mr. Regier: I would define the legitimate requirements of a man who is willing and able to work as being a minimum basic standard of living in this day and age.

An hon. Member: What is it?

Mr. Regier: You know, Mr. Chairman, when my grandfather first came to this country—

Mr. Speakman: Why?

Mr. Regier: —he was able to take a gun over one shoulder and an axe over the other and go out and make his livelihood from the raw resources of Canada. Today a man who is unemployed is no longer able to go out with a gun or an axe over his shoulder because the so-called free enterprise system is now denying him the right to make his own livelihood. He now has only one alternative and that is to go to some employer, some corporation that may have its head office in Accra, London or New Delhi and say, "All I have are my two hands, my brains and my brawn; I offer them to you", and the employer has the power to say whether these brains and brawn are going to be usefully employed.

An hon. Member: Ridiculous.

Mr. Regier: I regret that I was unable to precede the hon. member for Essex East because I would have made the same plea for the unemployed of Windsor. I believe the situation is regrettable and must be corrected in view of the fact that many people are being paid for overtime work while at the same time others who should be employed and who were employed in the same industry remain unemployed.

I want to mention a matter in connection with the unemployment insurance commission. I can remember the time when the Liberal government introduced a plan to pay pensions to the physically handicapped. The hon. member for Essex East, and I give him marks for it, was the man who introduced that measure in the house. At that time I pleaded with the government of the day that in implementing this most desirable plan they should not superimpose new administrative machinery throughout Canada. The hon. member may have forgotten my plea at that time. I said that the administration ought to be tied in with the existing machinery.

What concerns me is that a man who is unemployed today is entitled to so many weeks of unemployment insurance benefits but at the expiry of that time he then has to go into an entirely new world if he has been unable to find employment. He has to go to the municipal office and apply for what we have now decided to call social security but which we used to call relief. Once again he has to go through all the red tape, all the administrative procedures, in order to qualify for relief. We have welfare plans and pension plans in Canada that astound me. They run into the dozens. We have pensions for the blind, pensions for the handicapped, unemployment insurance, pensions for this, pensions for that, welfare for this and welfare for that, each scheme with its own hierarchy of officialdom, administration and red tape.

It is time that we adopted a comprehensive, all-inclusive social security system. I see no reason why we should not. I notice that a number of our civil servants are looking askance at me. If we were able to extend the number of weeks during which an unemployed man is eligible for benefits, I see no reason why we should not be able to extend our unemployment insurance system to the point where a man and his dependents will be looked after until work is again found and he will not have to be kicked out and have to go to the city hall and beg for relief or social welfare.

I know that the minister may say immediately that this is an anti-union attitude. I know that for many years the unions of Canada insisted that the Unemployment Insurance Act should be an insurance act, and therefore the proposals I am now making would be in violation of that intent. But the Unemployment Insurance Act as it is now

administered no longer has much of an insurance feature about it. It is in effect a welfare measure and we should not allow the unemployed of Canada to be kicked out of one welfare agency into another.

I am very pleased to note that the Canadian labour congress and the major unions of Canada are now pleading with the federal government to recognize that any costs over and above reasonable unemployment insurance benefits should be met out of the consolidated revenue fund and that adequate amounts of money should be paid into the unemployment insurance fund to meet needs in excess of reasonable demands upon that fund. The day has arrived when we can no longer laugh about this matter because the people of Canada are becoming very cynical. A lot of Tories are laughing behind the curtains. That is fine and I accept it, but I forecast to the house at least half a dozen years ago that if an economic recession came the unemployment insurance fund would go broke, and it has gone broke. The government does not want to do anything about the matter except to lend the fund $125 million in order to tide over the evil day for one more year. In the budget speech the Minister of Finance announced that the government was making provision to that end.

Mr. Martin (Essex East): But at 5 per cent.

Mr. Regier: There may be an interest rate attached to it as the hon. member for Essex East points out. What this government must realize is that unemployment, beyond that which can be reasonably expected, is the responsibility of the government and that responsibility should not be put on the Minister of Labour or the unemployment insurance fund. If they are going to make a welfare instrument out of the unemployment insurance fund, then they ought to go all the way and pay benefits to the man who is without a job until a job is again found for him.

Mr. Crouse: It was not my intention to speak on these items but I listened with great interest a little earlier this evening to the remarks of the hon. member for Burin-Burgeo. I believe they are worthy of some comment. He suggested that we extend the payment of seasonal benefits only to fishermen from Newfoundland, and I must take exception to that. I would be the last one in this house to speak out against unemployment insurance or seasonal benefits for fishermen, especially those in Nova Scotia or those fishermen from Newfoundland. Some of our best fishermen and sea captains in Lunenburg come from Newfoundland. We hope to secure even more men from that source.

[Mr. Regier.]

However, we must be realistic. Under the present system, these men come to Nova Scotia early in March or April and join our ships in that port. They remain until September or October and then return to their homes. Now, to extend their seasonal benefits would work a further hardship on the men who are left to man the ships. After all, we are speaking about unemployment and about methods of curing it. The extension of these seasonal benefits would not improve this situation. You cannot run a fishing vessel or a dragger without a full crew and when these men return to their homes, of necessity the ship must be tied up to the dock. This situation creates some unemployment.

I should like to suggest, therefore, that the minister give careful consideration to the proposal made by the hon. member for Burin-Burgeo before taking any action. We do not want to create unemployment; we want to do everything possible to keep everyone physically capable of working employed in Canada.

Mr. Carter: Mr. Chairman, I think the hon. member for Lunenburg has misunderstood what I requested. I did not request that they be granted seasonal benefits in September or at any other time. Under the law, they cannot get seasonal benefits until December 1. What I did say was that these fishermen leave their homes in Newfoundland early in the year, some time in February or March. They go to the mainland and are employed there on fishing vessels until nearly Christmas time. Having been away from their families for almost a year, and being human like everyone else, they want to spend some time with their families at Christmas. They get no holidays, and the only way they can get a holiday is to take one. They leave these ships voluntarily to go to Newfoundland to spend Christmas with their families. When they leave these ships voluntarily, they are disqualified from receiving benefits.

All I asked the minister was to find some way of avoiding the imposition of a penalty on these people because they have been absent from their families for such a long period, and this fact should be taken into account. They should not be penalized because they are forced to resort to this method in order to spend time with their families. I feel they deserve special recognition and they should not be disqualified when they apply for benefits in December.

Item agreed to.

The Deputy Chairman: This completes the estimates for the Department of Labour.

Mr. Starr: Through you, Mr. Chairman, I wish to thank the members of the committee for the very fine co-operation I received in the passing of these estimates.

The Deputy Chairman: We now turn to the estimates of the Department of National Health and Welfare.

DEPARTMENT OF NATIONAL HEALTH AND WELFARE

Indian and northern health services—

261. Operation and maintenance, $22,882,898.

Mr. Pickersgill: It is under vote 261 that Indian and northern health services come. Can the minister tell us whether, under this vote, there is any assistance given in respect to the Indians in the province of Newfoundland? I recognize that the only part of Newfoundland in which there are Indians, of course, is Labrador.

Hon. J. W. Monteith (Minister of National Health and Welfare): I would prefer to wait until my officials arrive, Mr. Chairman, to give me some assistance with this. We do not have Indian hospitals or nursing stations in Newfoundland to the same degree we do across the rest of Canada.

Mr. Pickersgill: Having been the superintendent general, perhaps I could assist the minister a little on this subject. I recognize that the Indians in Labrador are not Indians under the Indian Act and therefore strictly speaking the federal government, under the terms of union, has no responsibility at all except such responsibility as it has to all other citizens in Canada. I do not recall the details, but some special arrangement was made to provide a certain measure of compensation. Perhaps this arrangement was not made by the minister's department and, quite frankly, I do not remember the details. I simply wanted to find out if there had been any recent change in that or if the minister could throw any light on it.

Mr. Monteith (Perth): I would be pleased to inform the hon. member, and I understand that full medical care was to be given for ten years. The agreement still has three years to run. Is this the agreement to which the hon. member refers?

Mr. Pickersgill: That is the scheme for the eradication of tuberculosis?

Mr. Monteith (Perth): It is for full medical care carried out through the Grenfell mission.

Item agreed to.

263. Medical advisory, diagnostic and treatment services, $4,201,995.

Mr. Benidickson: Does this item include payments to private doctors in any substantial degree? If so, under what terms are payments made to private doctors?

Mr. Monteith (Perth): Yes. Actually the department has full time medical practitioners on the payroll as salaried employees. Then, of course, in certain areas there are some part time doctors who are paid on a fee for service basis.

Item agreed to.

265. Administration of the Opium and Narcotic Drugs Act, $276,810.

Mr. Benidickson: Does this item include payments to local agents for prosecutions with respect to the narcotic drugs act or would a vote for that purpose be under the estimates of the Department of Justice?

Mr. Monteith (Perth): No. This would be in our vote No. 265.

Item agreed to.

Welfare branch—family allowances and old age security—

266. Administration, $3,341,497.

Mr. Martin (Essex East): The minister has had a rather successful inning. I am sure he would expect now to be given an opportunity to catch his breath.

In the remaining few moments of tonight's sitting, the minister should tell us what progress he has been able to make, since he last addressed himself to this question. That is the study he has now been making for over three years of the Clark report. The minister may recall that the Clark report was a document, which had been prepared by a professor of one of our universities at the instance of the government. That professor had been engaged to make an inquiry into the operation of the old age survivors scheme in the United States, which operates on a contributory basis. The provocation for that report arose out of a statement made in this House of Commons by the Prime Minister of Canada. As the minister may recall if he will search his memory with diligence, prior to the election of 1958 the Prime Minister solemnly told the House of Commons that he thought we should have a system of contributory old age security, modelled on the principles of the system in existence in the United States. In order to meet that objective he said that he had appointed a Professor Huson of the University of Western Ontario, and that the report was to be completed within four months. At the time great publicity was given to this announcement of the Prime Minister. However Professor Huson decided that he could not possibly make the report in four months and, as a result, he resigned from the assignment.

Mr. Benidickson: He was fired.

Mr. Martin (Essex East): In his stead Professor Clark was appointed. He took some eight or nine months and then presented a rather monumental document, in two volumes. The minister was questioned about this document a year and a half ago in the estimates committee. He then gave evidence of great comprehension and understanding of the report. No one was convinced that he had not fully studied it. At the end of the presentation of his evidence before the committee, we were somewhat surprised to find that he was not in a position to announce government policy. However, as I say, he clearly established in our minds the impression that he had carefully studied this report and that there was no paragraph in the complicated recommendations and factual statements made by Professor Clark, that the minister did not understand. But since that time we have been told repeatedly in this house by the minister that he has not yet completed his study.

With great respect and having in mind the minister's heavy responsibilities, may I ask him this question. I realize that he suffers a particular disability latterly, when he has not been able to walk the streets in his own clothes. However, that fact should in no way be regarded as an excuse for his not having completed the study. May I therefore ask him now whether the study has been completed. Has he made any recommendations to his colleagues? Does the government have any idea of implementing that report in part or otherwise? If it proposes to implement the report, is it the government's intention to establish a parliamentary committee, so that we may consider the report and the government's recommendations, or is this simply another stall on the part of this government, one that has devised more impressive ways of stalling than has any of its predecessors?

We have shown great forbearance tonight. We have progressed in the passage of the minister's estimates largely because we wanted to deal with this problem. We sympathize with the minister. We realize that he is the most studious Minister of National Health and Welfare in the history of our country. He is one of the most studious ministers, but he is not one of those who acts with the greatest rapidity. We ask him to tell us tonight what the government is going to do about this report. Is it something that we should forget?

Mr. Monteith (Perth): First of all, I should like to express my appreciation of the hon. member's concern about my clothes. As a matter of fact, at one time I had every intention of asking him for the loan of a suit. However, I suddenly realized that probably too many seams would have to be taken in and too many alterations made.

Mr. Martin (Essex East): The minister is quite right there.

Mr. Monteith (Perth): However, I appreciate the kind gesture. The hon. member for Essex East has given the complete history of the Clark report and therefore I do not think that I need to go into it. I should like to assure him that I am an extremely slow but thorough reader. After I have read an article I sometimes must go back and study the more difficult points, those with depth and meaning. I admit that process takes me some time. However, I can assure the hon. member that I am giving deep study to this report. An interdepartmental committee has been studying it. I should not be too greatly surprised if before too long he were informed of the government's action.

Mr. Martin (Essex East): At this instructive point, Mr. Chairman, inasmuch as I have some further observations to make, may we call it 10.30?

Mr. Churchill: Can we not go on for another 10 minutes and complete the estimates of this department?

Mr. Pickersgill: I think that would be rather difficult.

Mr. Martin (Essex East): We could not possibly finish them.

Resolutions adopted in committee of supply this day reported and concurred in.

BUSINESS OF THE HOUSE

Mr. Pickersgill: I wonder whether the house leader could give us as much indication as possible of what the government is planning for the rest of this week and whether he could even project his mind forward to next week. If he could do so, I think it might be very helpful to all hon. members.

Mr. Churchill: Mr. Speaker, we are within sight of the end of this session.

Some hon. Members: Oh, oh.

Mr. Churchill: That is the hope I express.

Mr. Martin (Essex East): The government must be forthcoming or we are not going to agree.

Mr. Churchill: We have left just four items in the Department of National Health and Welfare; we have the privy council items to pass—these were commenced the other day when the Prime Minister was speaking. We

have also the estimates under the heading of legislation which Mr. Speaker himself deals with, and these do not normally occupy much of the time of the committee. We have also the Department of National Revenue, the Department of Finance and 20 items left in the Department of Transport, estimates of which were before the committee earlier, besides the Department of Veterans Affairs. Those are the estimates we have to complete.

On the legislative side we have the resolution stage with regard to the sports council, followed by the bill; the bill in connection with the Pine Point Railway which will be back for consideration in committee of the whole house and for third reading, and the debate on the dominion-provincial tax collection arrangements. For tomorrow, by arrangement, we shall take the resolution stage of the fitness and amateur sport proposal. On its completion, if we do not take all day on it—

Mr. Pickersgill: We won't.

Mr. Churchill: —I think we shall take the estimates of the privy council, followed then by those four items in health and welfare, and, depending on the time available, we might make a start, or perhaps even complete, the estimates of the Department of National Revenue.

An hon. Member: Some positive thinking there.

Mr. Churchill: Whether or not we sit Saturday I think we shall determine by noon tomorrow. We shall confer and see what the house would like to do. If we sit Saturday we might then find it possible to complete the business of the house by Thursday of next week. If we do not sit Saturday we might still finish by Thursday of next week. I do not know.

Mr. Pickersgill: Perhaps the leader of the house would permit one question. It is true that an order of the house was made that the government could be assured of going into supply on Monday and Tuesday. Is it the intention of the government to complete the legislation at the beginning of next week before going on to estimates?

Mr. Churchill: That is a very good question. But I should like to make an announcement concerning Monday tomorrow because, as I say, we are so close to the end it is a matter of adjustment and I shall be in a better position tomorrow to give that information.

It being 10.35 p.m., the house adjourned, without question put, pursuant to special order.

Question

ANSWER TO QUESTION

The following answer, deposited with the Clerk of the house, is printed in the official report of debates pursuant to standing order 39:

C.B.C. POLITICAL BROADCASTS

Question No. 294—**Mr. Fortin:**

1. How many hours has the Canadian Broadcasting Corporation granted, on both the English and French networks, for (a) radio broadcasts, (b) television broadcasts, to each of the conventions held since January 1, 1961, by the (i) Progressive Conservative party, (ii) Liberal party, (iii) New Democratic party, (iv) Social Credit party?

2. In each of the above-mentioned cases, what were the total amounts spent for broadcasting purposes?

Answer by: **Hon. George C. Nowlan (Minister of National Revenue):**

I am informed by the Canadian Broadcasting Corporation as follows:

1. Coverage in hours	(a) Radio		(b) Television	
	French	English	French	English
(i) Progressive Conservative party	1 hr.	1 hr.	1 hr.	1 hr.
(ii) Liberal party	1 hr.	1 hr.	1 hr.	1 hr.
(iii) New Democratic party	5 hrs.	4½ hrs.	4½ hrs.	4½ hrs.
(iv) Social Credit party	3 hrs.	3½ hrs.	3 hrs.	3¼ hrs.

2. Total Cost	(a) Radio	(b) Television
(i) Progressive Conservative party	$160	$ 9,860
(ii) Liberal party	120	14,750
(iii) New Democratic party	530	38,000
(iv) Social Credit party	560	31,000

[The following items were passed in committee of supply]:

DEPARTMENT OF LABOUR

A—Department—

General administration—

178. Departmental administration including a grant of $10,000 to frontier college and the expenses of the international labour conferences, $1,373,104.

179. Economics and research branch including research grants and related expenses, $821,935.

Annuities Act—

180. Administration, $1,240,305.

181. To authorize the governor in council to make regulations establishing a pension plan (hereinafter called the "plan") for agents of the Minister of Labour engaged pursuant to the government annuities regulations and for former agents now employed in the government annuities branch, providing for, *inter alia*, rates of contributions and benefits under the plan, establishment of a special account in the consolidated revenue fund for the plan, compulsory contributions by agents, payment out of the account of pensions and other benefits to or in respect of members of the plan and payment of interest on the outstanding balance of the account; government's contribution, $46,000.

182. Industrial relations activities including the administration of the Industrial Relations and Disputes Investigation Act, the Canada Fair Employment Practices Act, the Female Employees Equal Pay Act, the Fair Wages and Hours of Labour Act, the Annual Vacations Act, and regulations, and the promotion of labour-management co-operation, $643,798.

183. Civilian rehabilitation branch including payments to the provinces to implement a program for the rehabilitation of disabled persons, in accordance with terms and conditions approved by the governor in council, $270,655.

Special services—

184. Special services branch including the promotion of a program for combatting seasonal unemployment, the organization and use of workers for farming and related industries and assistance to the provinces under agreements entered into with the provinces by the Minister of Labour with the approval of the governor in council, $498,860.

Technical and vocational training assistance—

185. Administration, $146,905.

186. To carry out the purposes of the Technical and Vocational Training Assistance Act and agreements made thereunder, including authority, notwithstanding section 30 of the Financial Administration Act, to make commitments for the current fiscal year not to exceed a total of $27,108,700—payments to the provinces, $26,600,000.

Government employees compensation—

187. Administration of the Government Employees Compensation Act, $121,391.

B—Unemployment insurance commission—

188. Administration of the Unemployment Insurance Act including expenditures incurred in connection with other duties and responsibilities assumed and carried out as required by the governor in council on the recommendation of the Minister of Labour in accordance with section 4 of the act, $45,542,980.

189. Transfer of labour to and from places where employment is available and expenses incidental thereto, in accordance with regulations of the governor in council, $75,000.

A—Department—

General Administration—

532. Civilian rehabilitation branch including payments to the provinces to implement a program for the rehabilitation of disabled persons, in accordance with terms and conditions approved by the governor in council—further amount required, $18,500.

Technical and vocational training assistance—

533. Administration—further amount required, $36,670.

534. To carry out the purposes of the Technical and Vocational Training Assistance Act and agreements made thereunder, including authority, notwithstanding section 30 of the Financial Administration Act, to make commitments for the current fiscal year in an amount of $508,700 in excess of the total amount voted in this fiscal year—payments to the provinces—further amount required, $20,000,000.

DEPARTMENT OF NATIONAL HEALTH AND WELFARE

255. Departmental administration, $1,821,267.

National health branch—

Health services, including assistance to the provinces—

256. Administration, $459,645.

257. Consultant and advisory services, $835,749.

258. Laboratory and advisory services, $2,402,074.

259. To authorize general health grants to the provinces, the Northwest Territories and the Yukon Territory upon the terms and in the amounts detailed in the estimates and under terms and conditions approved by the governor in council including authority, notwithstanding section 30 of the Financial Administration Act, to make commitments for the current year not to exceed a total amount of $37,954,391, $30,000,000.

260. To authorize hospital construction grants to the provinces, the Northwest Territories and the Yukon Territory upon the terms and in the amounts detailed in the estimates and under terms and conditions approved by the governor in council including authority, notwithstanding section 30 of the Financial Administration Act, to make commitments for the current year not to exceed a total amount of $29,660,152, $17,000,000.

Indian and northern health services—

261. Operation and maintenance, $22,882,898.

262. Construction or acquisition of buildings, works, land and equipment including payments to hospitals and other institutions which care for Indians and Eskimos as contributions toward the construction of hospitals and related facilities, $2,087,800.

263. Medical advisory, diagnostic and treatment services, $4,201,995.

264. Administration of the Food and Drugs and the Proprietary or Patent Medicine Acts, $2,276,235.

265. Administration of the Opium and Narcotic Drugs Act, $276,810.

HOUSE OF COMMONS

Friday, September 22, 1961

The house met at 11 a.m.

RAILWAYS, CANALS AND TELEGRAPH LINES

Tenth report of standing committee on railways, canals and telegraph lines—Mr. Keays.

DOMINION-PROVINCIAL RELATIONS

TABLING OF CORRESPONDENCE RESPECTING FISCAL MATTERS

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I should like to table copies of correspondence exchanged between provincial premiers and myself on the subject of federal-provincial fiscal relations as requested by the hon. member for Bonavista-Twillingate on Friday, September 15.

Mr. Speaker: Has the Prime Minister leave to table the documents?

Some hon. Members: Agreed.

Mr. Pickersgill: Will the Prime Minister ask leave to have it printed as an appendix to *Hansard*?

[*Later:*]

Mr. Pickersgill: Mr. Speaker, before the orders of the day are called, I am not sure that it was clearly understood, although I thought the Prime Minister assented to the proposition that the correspondence he tabled should be printed as an appendix to *Hansard*.

Mr. Diefenbaker: I thought that was clear, Mr. Speaker. We follow that course regularly.

Mr. Speaker: Is it agreed that the correspondence tabled this morning by the Prime Minister be printed as an appendix to today's *Hansard*?

Some hon. Members: Agreed.

[*Editor's note: For correspondence referred to above, see appendix.*]

NATURAL RESOURCES

TABLING OF BACKGROUND PAPERS FOR CONFERENCE

Hon. W. G. Dinsdale (Minister of Northern Affairs and National Resources): Mr. Speaker, I should like to table copies in English and French of the background papers for the resources for tomorrow's conference to be held in Montreal from October 23rd to the 28th. These papers have been prepared in two volumes by outstanding Canadian authorities in the field of renewable resources, that is, soil, water, forests, fisheries, wildlife and recreation, and will constitute the basis for discussion of these important subjects at the conference. They are also the first comprehensive renewable resource studies done in Canada and as such have outstanding general educational usefulness. Already one Canadian university has declared its intention to use the volumes as textbook material.

The volumes are available to members of the house through the checklist procedure and will be sold to the general public. They ensure that discussion at the conference will proceed on an organized basis. It is confidently expected that out of the resources for tomorrow conference will come much of the new thinking for intergovernmental cooperation required for the fullest development of our renewable natural resources and the sound advancement of Canada's dynamic and expanding national economy.

Mr. Speaker: Has the minister leave to table the documents tendered?

Some hon. Members: Agreed.

CANADA GRAIN ACT

REVISION OF GRADES RESPECTING RAPESEED AND MUSTARD SEED

Mr. Reynold Rapp (Humboldt-Melfort-Tisdale) moved for leave to introduce Bill No. C-130, to amend the Canada Grain Act (rapeseed and mustard seed).

Some hon. Members: Explain.

Mr. Rapp: Canada, Mr. Speaker, is best known in the commercial markets of the world for the high quality of its grain, particularly wheat. The purpose of this bill to amend the Canada Grain Act is to bring other grains such as rapeseed and mustard seed to the same high standard. Ninety to 95 per cent of all the rapeseed grown in this country is exported, and it is imperative that the quality of this grain be of the highest standard that we are able to achieve for it.

The amendment proposes to revise the present statutory grades for rapeseed to meet

present-day trade requirements. This is in conformity with the suggestion of the board of grain commissioners for Canada to have the Canada Grain Act reclassified in accordance with attached schedules A and B. It also meets with the full approval of the Minister of Agriculture, under whose jurisdiction the Canadian wheat board and the board of grain commissioners for Canada come, and I am sure it will also meet with the approval of hon. members of the House of Commons. Schedules A and B are based on the recommendation of the chief grain inspector for the board of grain commissioners for Canada, and are in compliance with the export requirements, containing stipulations with regard to maximum percentage of foreign materials, degree of soundness and standard of cleanliness.

Clause 2 of the bill will change the definition of the grades of domestic mustard seed from the present commercial definition to a statutory definition. The committee on western grain standards established commercial grades for domestic mustard seed on November 4, 1953. These grades have now been revised to meet trade requirements, and the effect of this amendment is to raise these revised commercial grades to the precedence of statutory grades.

You will realize, Mr. Speaker, the importance of this amendment—

Mr. Speaker: Order. I am glad to assure the hon. member that I do realize the importance of his bill.

Hon. L. B. Pearson (Leader of the Opposition): May I ask whether the government has considered taking over this important and useful measure and making it a government bill?

Motion agreed to and bill read the first time.

CUSTOMS TARIFF

INQUIRY AS TO GOVERNMENT ACTION ON SENATE AMENDMENT

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, may I direct a question to the right honourable doctor of sacred letters, the Prime Minister, and I congratulate him on receiving this distinction from the outstanding university in the country. May I ask him what action the government proposes to take during this session with relation to item No. 1 on the order paper, that is consideration of a message from the Senate insisting upon its amendment to Bill No. C-72, to amend the Customs Tariff.

[Mr. Rapp.]

Right Hon. J. G. Diefenbaker (Prime Minister): First I want to thank the hon. gentleman, because I understand that he is also a holder of that degree. As I pointed out yesterday, I understand he is continuing his interest in that regard and that today he is going to start a missionary trip to western Canada and will endeavour to lead back the politically lost, in his view, in that part of the country.

In so far as the question itself is concerned, the house will be made fully aware of the circumstances before the conclusion of this session.

TRADE

AFRICA—INQUIRY AS TO GOVERNMENT POLICY RESPECTING EXPANSION

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): May I ask a question of the Prime Minister and doctor of sacred laws, and also congratulate him on receiving that degree. My question is based on a news story in the *Globe and Mail* of September 21, 1961, which I must say shocked my Anglican and socialist sense of propriety. The news item reads, in part:

> Canada will use beer and dancing girls to spearhead a million dollar trade drive into two expanding West African commonwealth markets early next year.

Would the Prime Minister inform the house whether these beer and circus proposals for the expansion of Canadian trade represent government policy and are a true reflection of Canadian character and culture, or do they result from the colourful exuberance of the Minister of Trade and Commerce?

Right Hon. J. G. Diefenbaker (Prime Minister): I feel sure the hon. gentleman did not intend to do more by his question than make the house aware of the fact that he has a continuing interest in high jinks, even if restricted to newspaper headlines.

TRANSPORT

EASTERN NEWFOUNDLAND—INQUIRY AS TO BUILDING OF CAR FERRY

On the orders of the day:

Mr. J. R. Tucker (Trinity-Conception): May I direct a question to the Minister of Transport or, in his absence, to the acting minister. Would the minister advise if he is in a position to say whether a decision has been reached to build a new ferry to operate from some port on Newfoundland's east coast, and if so when construction will begin?

Hon. Gordon Churchill (Minister of Veterans Affairs): We will take that question as notice, Mr. Speaker.

DRUGS

REPORTED INCREASE IN NUMBER OF FORGED PRESCRIPTIONS

On the orders of the day:

Mr. D. R. Mitchell (Sudbury): I have a question for the Minister of National Health and Welfare. Has the minister anything to add to a dispatch in this morning's Toronto newspaper regarding an increase in the number of forged prescriptions for schedule G drugs as the result of recent federal legislation?

Hon. J. W. Monteith (Minister of National Health and Welfare): Mr. Speaker, I have not seen the article in the newspaper, but I will be glad to look at it and give the hon. member an answer on Monday.

NATIONAL AFFAIRS

QUEBEC—POSSIBLE ADOPTION OF RESOLUTION RESPECTING SEPARATISM

On the orders of the day:

Mr. J. P. Deschatelets (Maisonneuve-Rosemont): I should like to address a question to the Prime Minister in connection with a press report to the effect that the national union party, at its rally in Quebec city, will adopt a resolution on the determination of separatism—

Mr. Speaker: Order. Before the hon. member goes further I should like to remind him that no member of this administration takes responsibility for what is going on in the place mentioned.

Mr. Deschatelets: Mr. Speaker, will you permit me to ask my question and then you can judge if it is out of order? My question is this. In such a case, would the federal government submit the matter to the United Nations, as in the case of Katanga?

PUBLIC WORKS

OTTAWA—CONFLICT IN DATES AND TIMES OF PUBLIC FUNCTIONS

On the orders of the day:

Mr. G. J. McIlraith (Ottawa West): Mr. Speaker, I should like to address a question to the Minister of Public Works. It has to do with a public function at which he is officiating, namely the opening of the Old Chelsea section of the Gatineau parkway in Gatineau park by the national capital commission. On the same day and at the same time the mayor and council of the corporation of the city of Ottawa are holding a public function honouring the opening of the Britannia water purification plant and pumping station. My question to the minister is this. In view of the conflict of the dates and times of these two interesting public functions, will he approach the city with a view to trying to rearrange the hour of one of the functions so that it would be possible for the same persons to go to both?

Hon. D. J. Walker (Minister of Public Works): Mr. Speaker, it is with trepidation that I ever suggest to the city of Ottawa, and particularly to Her Worship, that they make any change with regard to any function. She is quite an authority on all things social, and I understand Her Worship feels that such distinguished citizens and statesmen as the hon. member for Ottawa West will have ample opportunity to attend the water purification plant ceremony first and then to go out to the ceremony in the Gatineau hills afterwards.

POWER

COLUMBIA RIVER—REPORTED STATEMENT BY PREMIER OF B.C.

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, in view of the fact that Hon. W. A. C. Bennett has distributed copies of the speech he made to the associated boards of trade of central British Columbia at Prince George on September 16 with regard to the Columbia river treaty, I presume the Prime Minister has also received a copy. I was going to ask him whether he had any comment to make with respect to the caustic criticisms on the part of Premier Bennett of certain aspects of the Columbia river treaty.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I do not get much time these days to read fiction.

BUSINESS OF THE HOUSE

ORDER OF BUSINESS FOR TODAY

On the orders of the day:

Hon. Gordon Churchill (Minister of Veterans Affairs): Mr. Speaker, may I just say a word with regard to the order of business for today. It is our intention to commence with the resolution stage of the legislation on physical fitness and amateur sports. I would advise hon. members that, if they would care to restrict their remarks today and pass that resolution rather quickly, we would then go on to the four items remaining in the estimates of the Department of National Health and Welfare, which would be followed by the estimates of the Department of National Revenue. All those who would like to speak on the subject of fitness and amateur sport, a subject which is of great interest to the house and to the

public, would have ample opportunity to do so on Monday, when the bill would come up for second reading.

The second thing I should like to say is this. It is the general wish of the house to sit tomorrow. That being the case, we would endeavour to deal with such estimates as are not finished today and then go on with those of privy council, legislation, veterans affairs and various supplementary estimates which must be dealt with.

SPORTS

ESTABLISHMENT OF ADVISORY COUNCIL ON FITNESS AND AMATEUR SPORT

Hon. J. W. Monteith (Minister of National Health and Welfare) moved that the house go into committee to consider the following resolution:

That it is expedient to introduce a measure respecting the encouragement of fitness and amateur sport in Canada; to provide for the making of grants to agencies, organizations or institutions; to provide for entering into an agreement with any province for the payment by Canada to the province of certain contributions in respect of the costs of programs relating to fitness and amateur sport; to provide for the establishment of a council to be called the national advisory council on fitness and amateur sport; to provide for the payment of the chairman's remuneration and of the travelling and other expenses of the members of the council; and to provide further that the Minister of Finance shall pay out of the consolidated revenue fund each fiscal year such amounts not exceeding in the aggregate five million dollars as may be required for the purposes set forth in the measure.

Motion agreed to, and the house went into committee, Mr. Chown in the chair.

Mr. Monteith (Perth): Mr. Chairman, it gives me a great deal of pleasure to introduce this measure relating to fitness and amateur sport, the intent of which was announced by the Prime Minister recently in Toronto. Particularly at this time when our thoughts are so much taken up with the sombre threat to our way of life, and indeed to human existence itself, it is refreshing and heart warming to turn to a matter which is wholly dedicated to the greater benefit and enjoyment of the people of Canada.

As hon. members are aware, the resolution now before the committee had its immediate origin in the throne speech of last November. The thinking behind these proposals is not, however, of so recent origin; it dates back several years and, in fact, includes the efforts of a number of hon. members of this house. These and others have been outspoken champions of fitness and amateur sport and have repeatedly urged some form of assistance from the dominion government in support of such activities. While it has not been possible to implement all their specific suggestions, I hope they will find in our new proposals the achievement of at least the spirit of their intentions.

It is, of course, no secret that the dominion government has previously made efforts in supporting a nation-wide program of physical fitness, and that these proved disappointing. But the fact that the program which was in force from 1943 to 1954 failed to meet expectations does not, to my mind, imply that the job cannot be done, that a new start should not be made. Indeed, as I will be pointing out later when the bill is before the house, circumstances have changed radically in the interval, and moreover, we are convinced that the present plans constitute a very substantial improvement over those previously in effect.

In outlining the background of this measure, mention should be made of the speech delivered by His Royal Highness the Duke of Edinburgh before the Canadian medical association on June 30, 1959. On that occasion, the committee will recall, His Royal Highness drew attention with great force to the extent of what he termed "sub-health" among Canadians. He said:

There is evidence that despite everything, people in Canada are not as fit as they might be—

Then he went on to say:

Some scheme, therefore, which exists to encourage participation in all sports and recreations, for all ages and sections of the community is absolutely essential to any modern community with a high standard of living.

Whether it was the words themselves, or their source, or a combination of both plus a particularly favourable climate of opinion, there can be no doubt that this address by the Duke of Edinburgh had a far reaching impact on Canadian thinking. Certainly an important contributing factor to the enthusiam of the response on the part of Canadians was what His Royal Highness referred to as "the question of national prestige in sports and games." As he stated quite bluntly:

With a few notable exceptions, Canada's achievements in this line are hardly in keeping with a country which claims almost the highest standard of living in the world.

In any event, with this added stimulus the already growing interest in fitness and amateur sport, which as I have mentioned was highlighted by various members of this house, underwent a sharp upsurge throughout the country. Associations and organizations active in the field as well as the national sports governing bodies began to take on added drive and vitality.

The Canadian Medical Association, which had been the immediate recipient of the Duke

of Edinburgh's challenge, stepped up its consideration of the problem. This bore fruit early in 1961 in the conference on physical fitness sponsored by the Canadian Medical Association in collaboration with its fellow professional organization, the Canadian association for health, physical education and recreation.

The interest of governments also increased. At the provincial level a number of special committees on physical fitness were set up. The committee in Ontario was under the leadership of that distinguished champion of amateur sport, Mr. Harry Price. In the case of the dominion government a new look was taken at the problem with a view to developing an approach which might fit into the current context and which might hold out hope for the achievement of real progress. My department had, of course, continued to maintain consultant services in this field, and had as well set up a special committee to give certain aspects of the subject serious study.

I might point out, incidentally that our reappraisal of the situation has already produced results aside from these present proposals. I refer to the provision of financial assistance through the municipal winter works program for the construction of recreational facilities, as well as the federal grant to the Canadian Olympic Association to further its efforts in obtaining for Canada the 1968 winter Olympics.

In attempting to draw up a new approach to fitness and amateur sport for the long term, we have taken account of a number of basic factors. While the precise relationship between fitness and health remains far from clear, there seems to be no doubt that participation in amateur sport and recreational activities does have a beneficial effect on an individual's well being, particularly with respect to his emotional and social outlook. Besides affording pleasure, participation in competitive games teaches valuable lessons in the exercise of personal powers to the full, in the development of team spirit, and in learning to respect and make friends with one's opponents. The value of these qualities speaks for itself.

Furthermore, in a world which is being constantly reduced more and more to neighbourhood proportions, such qualities can have a vital bearing on the achievement of understanding and friendship among nations and peoples. Indeed, this is where I see the greatest contribution of international competitions. Although we all experience a keen sense of pride and exhilaration when Canadians come out on top in such competitions, I would agree with those who maintain that this should not be the overriding consideration. Rather I would go along with the view of Pierre de Coubertin who had much to do with making the Olympic games what they are today. He said:

> The important thing is not winning but taking part. The essential thing in life is not conquering but fighting well.

That is the point I believe we should keep before us. Our aim should be primarily to provide the proper environment and training for the youth of Canada so they may in fact be good competitors. If this is done, then we can have every expectation that in due course Canada will have all the champions we could reasonably hope for.

But providing this proper environment and training is not a simple matter these days. Many trends in our society are against it. For example, there is the continuing movement of our people from the more vigorous life of rural areas to large, crowded cities, which too often do not furnish recreational and sports opportunities required by an urban population. Then too the effects of automation have drastically reduced manual labour, and have opened the way for an increasingly sedentary way of life for many Canadians.

These are some of the fundamental factors which we have borne in mind in developing the program which is the subject of the resolution now before the committee. Detailed comments on our new proposals will, of course, have to await presentation of the bill, but there are some general observations which I might make at this stage. As is obvious from the wording of the resolution, the scope of the projected program is broad and comprehensive. The program envisages very generous financial support on the part of the dominion government. Indeed, in setting aside an annual amount of $5 million we are providing greater assistance for fitness and amateur sport than has ever been available in Canada from a single public source.

Moreover, the program does not represent a stereotyped or rigid approach, but provides a framework through which federal aid may be channelled into those areas where it is needed. These include:

1. The provision of greater assistance to Canadian teams participating in sports meets both at home and abroad.

2. Support for the expansion of facilities and services for the training of coaches and instructors.

3. Provision of bursaries and fellowships to improve the competence of personnel connected with fitness and sport.

4. Support for research and for a greater effort in the field of information.

5. Granting of fitting recognition for outstanding achievement.

Advisory Council on Sports

As the resolution indicates, federal money will be available for the purposes of the program to agencies, organizations and institutions concerned with fitness and amateur sport. In addition, the proposed measure provides for the development of federal-provincial agreements through which a mutually acceptable arrangement can be worked out for federal assistance designed to strengthen and extend provincial programs in these fields.

In all its many aspects the new plan will benefit from the experience and guidance of a national advisory council which is to be set up under the terms of the legislation. This council will include not more than 30 members representing the provinces and the various agencies concerned with these subjects.

In this connection I should like to emphasize that we do not regard this new program as in any sense a purely federal venture. In the Prime Minister's words, we look on it as a people's program, with all that implies. In other words, not only will its full implementation rest at the grass roots level, but in its development we will welcome the advice and suggestions of all who have an interest in furthering the fitness of the people of Canada, in bringing to our sports activities the qualities that will not only produce champions but will also provide opportunities for as many Canadians as possible to enjoy and benefit from healthy participation in sport and recreational activity.

In referring to this new measure in Toronto recently the Prime Minister formally invited the assistance of any and all Canadians interested in these matters. I am happy to say the response has exceeded all expectations, and I should like to take this opportunity to thank those who have sent us their views. I can assure them that their comments are being given careful study.

In presenting this resolution to the committee today, I should like to follow the Prime Minister's example and say that the government would welcome any suggestions concerning the proposed program which hon. members may wish to put forward. We are very anxious that this be in the fullest sense a bipartisan effort, and to this end I can assure hon. members that their suggestions will be accorded the most serious consideration by the government.

While I would not wish to dampen in any way the enthusiasm aroused by the announcement of this new undertaking, I feel I should issue a word of caution. Although I believe the program to be an excellent one, I do not think we should expect it to achieve miracles overnight. Significant gains will be registered only after a sustained effort, and much remains to be done before such an effort can be mounted successfully. Progress at first may seem slow, especially if we concentrate on building carefully rather than spectacularly, but we have tremendously improved resources to work with compared to the past.

Given time and patience, I hope we will see great things develop in this field. I hope we will see mounting numbers of our young people engaging in track and field sports, in baseball, hockey, and tennis, to name only a few. I hope we will see adequate facilities for all kinds of sport spring up throughout the length and breadth of Canada. And finally, I hope we will see more and more Canadian athletes achieve that degree of excellence which will make them the equal of the best the world can offer today and in the years ahead.

These are my expectations, Mr. Chairman, as we embark upon an undertaking which I am confident will make a unique contribution to our national development and well-being.

Mr. Pearson: Mr. Chairman, hon. members who heard me speak a couple of years ago on a private member's resolution having to do with this matter will not be surprised when I say that we on this side will support the resolution before the committee. When it is embodied in a bill, Mr. Chairman, we will be glad to accept the minister's invitation to contribute some constructive suggestions which perhaps will improve the bill.

As the minister said, the matter is noncontroversial and I think can be approached in a bipartisan way. It is also, as he pointed out, a resolution which deals with a more cheerful matter than most of those which we have been considering since the house resumed its session.

I must say, Mr. Chairman, that in its original form the resolution was one to which we would have taken exception, but that particular difficulty has been removed by the amendment which was made so that it now reads:

> That it is expedient to introduce a measure respecting the encouragement of fitness—

—not through amateur sport, as the first draft of the resolution had it, but the encouragement of fitness and amateur sport in Canada, this is a much better and a much broader way of approaching the problem, as the minister himself pointed out the other day.

Normally there can be a difference between physical fitness and amateur sport. While it may be desirable, and I think it is, for government to accept in this day and age, both on the federal and the provincial levels, some

responsibility in this matter, that responsibility may well be different in its application to physical fitness than to amateur sport.

The resolution itself makes clear that the obligation which the government asks the house to accept in this regard is to be discharged by grants and also—and this is of course very wise—through co-operation with the provinces. Not only must there be, or should there be, co-operation with the provinces, but there must also be, as I think the minister pointed out, the closest kind of co-operation with voluntary bodies concerned with fitness and amateur sport. For this purpose the resolution proposes the establishment of a national advisory council on physical fitness and amateur sport with a paid chairman.

There will be, and there have already been, those in the country who are worried about the entry of the federal government into this field. I have before me an editorial from the Montreal *Star* of August 29 which gives expression to that worry, arising out of the possibility of government assistance in this field somehow prejudicing the assistance that government should give and has been giving to activities of a non-material kind in other fields. I see no reason why one should in any way interfere with the other, because I think they are both essential.

The editorial which I have just mentioned, expressing this anxiety—and it is an anxiety we ought to keep in mind—has this paragraph:

> But even through the vociferous cheering—

The government's announcement has been received with a certain amount of cheering.

> —we can hear the subdued voice of the Canadian taxpayer murmuring that he can think of much better ways of spending the money. If anybody put it to him in these terms he would say he would rather see the money go to training minds than bodies.

Mr. Benidickson: Let's do both.

Mr. Pearson: Nobody in this chamber will underestimate at this time the importance of the maximum effort being made by all governments in the training of minds, but surely there is no contradiction between doing perhaps even more than we are doing now for the training of minds, and this initiative to assist in the development of fit bodies through amateur sport and facilities for physical fitness is a step in the right direction. Therefore I do not myself accept any contradiction between these two objectives, although I think there is a danger. If government is not careful it might do more for one than the other, and therefore the balance will have to be preserved. In that balance, of course, I think we would all agree that the training of minds is even more important than the training of bodies.

This resolution and the action which will be taken, we hope, through the bill which will be based on it, deal with amateur sport as well as physical fitness. Perhaps we should ask ourselves how government can properly and constructively assist in this field of amateur sport. We might even ask ourselves a question which is not too easy to answer these days. What is amateur sport? The definition of amateur sport in certain instances, and only in certain instances, is such as to take a good deal of the content and meaning out of the word "amateur", and I am sure no one in this house or in the government would wish to direct the kind of assistance for amateur sport which is visualized in this action in a way which would help certain sports bodies train and develop athletes for professional activities when they graduate from some of those amateur bodies.

Then of course amateur sport itself—and I think mention was made of this—has two aspects. There is the domestic aspect and the international aspect. It is perfectly true that the achievements of a nation in amateur athletics, amateur sport, in its domestic aspect leads to achievement in the international side of amateur sport which does do something for a nation's morale, its confidence and its prestige. It may be unfortunate, but it is true that the prestige of a country can be affected by failure in this field, though it should not be nearly as important as failure in other fields. However, in the light of present conditions—all the publicity attached to international sport and the fact that certain societies, particularly the communist societies, use international sport, as they use everything else, for the advancement of prestige and political purposes, it is a matter of some consequence that we in Canada should do what we can to develop and regain the prestige we once had, to a greater extent than we now have in international competition.

The minister mentioned Baron de Coubertin, the founder of the Olympic games and his emphasis, which at least in theory has been the emphasis of the Olympic games ever since, that it is not the achievement but the participation which matters. It is very difficult to maintain that ideal in the face of international competition of the type we have today, even at the Olympic games. Therefore I would hope that an important by-product of assistance, and I think it would only be a by-product, would be to recover in this country most of the prestige that we once had in the field of international athletic competitions.

There was a time not very many years ago when our population was less than half what it is now, when governments did not

assist international athletic competition, when we did not have the facilities that we have now, let alone the people, when we loomed very large in international competition, especially at the Olympic games. I think I have mentioned before in the house that in 1924 or 1926, I am not sure which, Canada, with not as large a team as she has been able to send to recent Olympic games, managed to win the 100 yards and the 220 yards, and would have won the 440 yards if Jim Ball from Winnipeg had not looked back in the last 10 yards. There is a lesson in that for all of us, not only in athletic competition.

I should hope that the action we are being asked to take now, would do something to encourage the zest for international competition by Canadians, because that is a legitimate and laudable objective, and I think government support of this sort of thing is also legitimate. However, as I said a few minutes ago, the plan has to be very carefully administered indeed; otherwise we may find that our support is going in directions which will not help to achieve the objectives we have in mind. The support can be direct, but I suspect it will be found to be most useful when it is indirect, through helping to finance and develop training facilities and all that kind of thing. Indeed, this is mentioned in the resolution itself.

But government support, however great—I am talking not only about athletics, not only about sport but also about fitness, which is related—will not alone draw young people away from television sets and into games, competition and fitness. There must be in young people that zest for competition, that zest for achievement in games, that desire to go out and take part which I think used to be more noticeable in Canada, when I was young than it is now. We did not have so many distractions at that time, and we were perhaps more concerned with this kind of activity and the good effect it used to have on our fitness and on national morale in those days. All Canadians in those early days got a thrill out of the achievements of our athletes at the Olympic games. I am going back a long way before world war I, when it was taken for granted that if a Canadian did not win the marathon race at the Olympic games he would be among the first two or three, and we had some of the greatest runners of all time in those days.

Perhaps the contrast between that day and now is to be seen in the fact that there is less interest in amateur competition, less interest in games for the sake of playing games, and greater interest in professional competition and in watching professional competition, something about which I should not be very critical because I spend a good deal of time doing it myself. I think there is also a good illustration in the contrast between our sort of North American approach to these matters and that part of the European approach with which I am familiar. At Oxford University in England—and it is still the same as it was 100 years ago—every day after lunch every student takes part in some form of athletic activity, and if he does not he is considered to be very queer indeed.

Mr. Martin (Essex East): Oxford is not the only place where that is done.

Mr. Pearson: It is not quite as easy to do that over here, and there is not quite the same incentive. I do not know what is responsible for this change. Perhaps it is a change in our way of life, a change in the habits and customs of the people. I hope that government intervention of this kind may do something to restore what I like to think was an earlier, healthier condition both in games and in fitness. There is no profit in trying to blame anybody or anything. "The fault, dear Brutus, perhaps does not lie in our stars", though the cult of the star may have had something to do with it; and it certainly does not lie in our governments. Rather it lies in ourselves and the situation can be changed if the people wish to change it.

Australia is a good example of what can be done to develop fitness, zest and participation in games without too much government support. There is government support, but that support is not nearly as important as the co-operation that Australian athletes and youth get from voluntary bodies. The same is true in France. There is a good deal of government support in France, and this has a bearing on the danger I mentioned a few moments ago, the danger of perhaps overbalancing support for fitness against support for things of the mind. In France there is more government assistance for the arts, letters and sciences, I suppose, than in any other country in the world—I speak without knowledge of all the facts— and that goes alongside assistance for physical fitness, so the two things are not incompatible.

There is a danger in the government entering this field which I have only touched on so far, the danger that now that the government has taken this responsibility and accepted this obligation there may be a tendency to leave too much to the federal government in what we are now beginning to do. There is also a danger in the administration of a fund of this kind, and we are all aware of that. Who will be helped and how will they be helped? One of the competitions which will develop shortly and for which there will

be a great deal of zest will be the competition to share in this appropriation on the part of all those who think quite rightly that they deserve and need help. Therefore the administration of this fund is going to be very important indeed, and the whole thing can be spoiled by the wrong kind of administration.

I do not need to mention to the minister that it is absolutely essential that there should be completely non-political control over the administration of this fund, as all members will agree, I think, there is in the administration of the funds of the Canada council. The dangers that might arise if this did not happen have been referred to by a good many sports editors who have written some very perceptive articles on the subject matter of this resolution. Jack Kinsella, in the Ottawa *Citizen* of August 28, 1961, had this to say, and he is in favour of this legislation as I think all sports editors are:

> The only thing I don't like about the plan is the inference that it will be politically controlled. Like oil and water, sport and politics don't mix too well.

I have not myself drawn any such inference from the resolution, and I hope none will be required to be drawn. One reason, of course, why the Canada council has this relative independence from political interference is that the council itself is financially independent, in the sense that it derives its income from an endowment. This council, as I understand it, will get its income by means of an annual vote and this, in the nature of things, may result in the loss of such independence as an agency like the Canada council has.

Incidentally, in reference to this question of balance between help for the arts and letters and help for sports and fitness, it is perhaps just as well to remind ourselves that while the amount in this resolution is $5 million a year, that is about twice the income the Canada council gets for all it is trying to do in the field of the arts, letters and sciences. Perhaps the time will come, perhaps it has already come, when the Canada council will make us aware of the fact that this balance will have to be redressed and the council will have to be given more help. The council has already, I believe, made representations in that regard, yet $5 million may soon be considered not enough for all the work that this council may wish to do.

There is an article in the Montreal *Star* of August 30, 1961 by Baz O'Meara in which he says:

> It isn't enough, it should be $25 million.

Of course, Mr. Chairman, it will never be enough.

Then I hope the assistance which is given through this action will be given not to those—I am talking now about the amateur sports side of it—sports which are self sustaining because they are spectator sports. We do not want to help hockey clubs produce professional hockey players or junior football clubs produce professional football players or baseball clubs produce professional baseball players. We do want to help, I think, through the creation of facilities, those sports which will never be self sustaining in the sense that they will be able to meet their expenses. I am thinking of those sports which are extremely important from the physical fitness point of view. I am thinking of aquatic sports and of Ted Reeves' passionate desire to bring lacrosse back to its old place as Canada's national game.

There is one other consideration which I might mention to the committee, and that is the danger which always attaches to this kind of government assistance and actions which are not directly within the field of government activity. I refer to the fact that once this activity becomes dependent to a great extent on government support, then it becomes more difficult to get voluntary assistance for it. The net result would not be good; it would be bad, if these public spirited citizens and organizations in the country who are now interested in amateur sport and fitness felt that now the government had taken over they would not have to do so much; they would not have to produce the funds. I hope it will be made clear that this kind of assistance is a supplement to what people can do for themselves.

This is the danger—perhaps "danger" is too strong a word—as it is apparent in connection with the work of the Canada council. There is a tendency to say the Canada council has this endowment so corporations and wealthy individuals feel they no longer need to contribute. It was the intention of the government in setting up the council to use government support as the foundation on which private enterprise could build its support. However, the temptation is to say, let the government do it; it has taken on this job. I hope this will not happen in connection with this resolution.

Perhaps before I conclude, Mr. Chairman, I might pay my own tribute to those organizations in the country which without very much encouragement in the past have done what they could in this field. I know some of them have become discouraged, but they have worked very hard to improve the physical fitness of our people. I am thinking of Lloyd Percival's sports college, and I am thinking of the central fitness council run by Mr. Harcourt Roy, out in Vancouver, and

the difficult, rather discouraging work he tried to do to develop physical fitness. I believe he has given up this work and returned to England. There have been people in this country who, in these relatively dark days compared with the brighter days of 25 or 30 years ago in the field of amateur athletics and fitness, have been trying to improve the fitness of the people of this country. This is important work, and the ideal they have in mind is an important ideal; to build up the fitness of our people, not only through amateur athletics but through more direct methods such as those which have been put forward by these two men to whom I have referred.

When the bill is before the house, Mr. Chairman, there will be, as I have said, an opportunity to deal with this matter in detail. However, I am afraid I shall not be able to do so because, as the Prime Minister mentioned, I am going off on a missionary tour shortly in response to the cries of those people who are hungry for the pure gospel. I can only say at this time that we will support the bill and the resolution on which it is based, and we hope that this action by the government will achieve the objective which the government has in mind, of improving the fitness of our people at a time when fitness of the body is only second in importance to fitness of the mind. We hope they will be able to encourage amateur sports generally as a step in the direction of the improvement in physical fitness.

Mr. Pitman: It is certainly the wish of our party to congratulate the government upon the introduction of this resolution, and especially to congratulate the minister for the very gracious way in which he performed that introduction. This matter is of great interest to all members of this house, as was indicated by the debate on a private member's resolution some months ago. Certainly the interest shown by the hon. member for Kootenay West, who unfortunately had to leave the chamber before he could make his remarks, and by the hon. member for Port Arthur indicates the feeling of our members.

No one questions the purpose of this resolution, nor do we question the need for the bill which will follow, we have no way in which we can obtain accurate statistics as to the level of physical fitness throughout this nation. Over the years we have been receiving some indication from those who are engaged in physical education in the various provinces of Canada that our level is falling behind that which has been achieved in other parts of the world.

A resolution of this nature perhaps raises as many questions as it answers. How do we encourage physical fitness and amateur sports?

How do we encourage physical fitness through amateur sports? It is not the same as subsidizing agriculture or gold mining, because the success of such a program depends on the realization of the material benefits that will be received through the acceptance of the subsidy. Surely the success of this measure is dependent upon the enthusiasm and initiative of the young people or people of all ages who are going to be encouraged to take part in amateur sports, who are going to be encouraged to improve their level of physical fitness.

I am sure each one of us from the various constituencies in Canada has passed playing fields on Saturday afternoon which were completely empty. All of us have heard of schools where they could not find enough boys to play on the football team even though the equipment was there and there was plenty of money available. This is a crucial question; how can a government encourage enthusiasm for physical fitness through legislation?

Another question that arises is this. What group are we mainly concerned with? Are we mainly concerned with young people, or are we really going to try to encourage physical fitness in other age groups? The Leader of the Opposition raised the whole question of what is amateur sport. Can we subsidize amateur sport without the realization that possibly this legislation will be used by professional entrepreneurs for their own benefit as well? The fact is that many sports start out as amateur but end up very much as professional enterprises. Of course the question that arises is this: What sport produces physical fitness to the highest degree and most efficiently? I am sure the minister and his department have dealt with these questions as they bring this resolution to the floor of the House of Commons. Certainly I hope they have done so.

One body which I think has done a great deal in this area is the Central Council of Physical Education in Great Britain, which since 1936 has been trying to deal with the very problem which the minister has brought before us this morning. I should like to read one or two sentences from the 19th annual report of this body:

> Our declared aim is: "to promote and improve the physical and mental health of the community through the development of physical recreation". In other words, people are our primary concern, physical recreation—games and sports of all kinds, outdoor activity such as climbing and camping, recreative physical training, dancing and so on—a means to the end.

In other words, let us not regard sports in too narrow a field. The minister mentioned track and field, hockey and football, but let us not simply consider sport as it is

portrayed on the sporting pages of our national newspapers. The results of sports on physical recreation can perhaps be met in many other areas which receive very faint recognition by many sports minded people. Then the report goes on to say this:

> The forty or so activities with which we are concerned offer fresh air and exercise to sedentary workers; encourage youngsters to develop their potentialities, to seek adventure and to learn to work and live with others; introduce people of all ages to skills which may give them lifelong pleasure; foster the fuller use and appreciation of the countryside; proffer companionship to the lonely; and guide into constructive channels the energies of those who seek self expression through movement.

Here I think is a very important reflection which the author puts in this last sentence:

> But few will voluntarily take part in a physical activity simply because it may "do them good". It must capture their interest, arouse their enthusiasm, make demands on their physical and mental resources—only then will it be really satisfying, really educational.

I would commend those words to the minister and his department because I think this is the crucial point. How do we arouse enthusiasm? How do we arouse initiative?

My greatest fear in connection with this resolution is that we may lose sight of the aim expressed in it. I am sure the Prime Minister did not mean to give this impression, and perhaps I am wrenching this statement out of its context, but when he announced this bill in Toronto he said:

> Success in competitive sports ... has become an important element in the contest for the hearts of men. Success in Olympic games and in all fields of international competitive sports has a tremendous effect upon the prestige of nations.

I hope this consideration will not deflect our minds from the main purpose. Reading from an editorial which appeared in an Ontario newspaper, the Peterborough *Examiner* on August 29, we find concern expressed on the part of this writer who states in one sentence as follows:

> If the national advisory council is going to have a brief with overtones of the cold war, we might as well forget about encouragement and take up the Soviet system of compulsory exercises in the factory every day at 11 a.m.

We are certainly interested in the Olympic competitions. However, I think the British council has a point when it says this:

> British supremacy in international sport is not the objective of the central council of physical recreation. Yet, the better the council does its work of encouraging everyone, the more probable it is that the country will produce sportsmen of Olympic calibre. Only by broadening the base of the pyramid of participation can its height be increased.

The government in this resolution has chosen three methods by means of which these purposes can be achieved. The first is by making grants to agencies, organizations or institutions. Of course we hope to see by the bill just exactly what this will mean. However, at this particular moment the matter is all very vague and one is filled with doubts. On what basis is the government going to decide just what are the aims of an organization? Is it really concerned with physical fitness, or does it have other social aims which may entirely undermine the efforts of this agency in carrying out the purpose of this resolution? Before the great rush begins for part of this $5 million, surely a criterion must be established for evaluating the basis on which contributions will be made to these various agencies in order to ensure that the agencies know what amateur sport really is and what its purposes really are.

One person has called it a "slush fund for sport". None of us in this chamber wish to see this take place. However, the national government must take some responsibility for defining with excessive care the kind of sports and activities which will fulfil the aims, the kind of agency which is sincerely motivated to provide physical fitness recreation, which does not have other interest involved and which is concerned also with mass participation.

The second method suggested in this resolution is to provide for entering into an agreement with any province for the payment by Canada to the province of certain contributions in respect of the costs of programs relating to fitness and amateur sport. As we discuss this resolution I am sure we are sobered by the fact that we have already had a physical fitness act. I note that the hon. member for Essex East has just left the chamber. However, before this resolution stage has been completed I hope the hon. member for Essex East, as the former minister of national health and welfare, will give us the benefit of some of his experiences in this field.

Why did that act fail? I spent some time in reading over the minutes of the council from 1943 to 1952 to see whether I could discover why that act had failed to arouse the imagination of the provinces. In 1946 this physical fitness legislation, which was put through by the former administration, was given a citation by the American academy of physical education as pioneering legislation in the interests of human development. Yet by 1953 it had failed. Province after province had not passed physical fitness acts, which I think it had been hoped would be passed. You find rather a sort of ad hoc arrangement by means of which the provinces were attempting to carry out their responsibilities through health and welfare departments, public education departments and so on.

Advisory Council on Sports

I was much impressed by the great variety of activities carried on under that physical fitness act in attempting to raise the standard of physical fitness, in attempting to find a role for sports in all parts of Canada, and in attempting to encourage youth through the setting up of physical education departments in our universities. But while I was deeply impressed by what was done, none the less the act failed and it has been wiped off our statute books. In many cases the provinces failed to take up the grants that were available. I note that British Columbia and Saskatchewan seem to have had the most interest in accepting the grants. But certainly as you read through the minutes you could not help but feel that there were major problems. I hope those problems have been looked into by this government, and that they have been dealt with. I noted with some hope a remark by the minister, when he stated that some of the difficulties and concerns in 1961 are different from those of the '40's and '50's. This gives us reason to believe that new initiative in this field will have some effect. I certainly receive the impression that there was a disconcerting lack of trained personnel back in the 1940's and 1950's. With the increase in the physical education branches of our universities, and certainly the far more ambitious program of assistance, we hope that some of these problems are going to be dealt with. We come to this problem with some feeling of frustration, what we call our frustration of federalism. I am not speaking in a partisan way in this connection, but so often I think we give money to the provinces and in order to accept this money they have to share part of the cost. As a result this of course immediately dampens some of their enthusiasm.

Even more important, so often they have to provide the initiative, they have to provide the administration and they really have to provide the pattern by which this legislation that is going to provide physical fitness at the lower levels will be realized. So often there is insufficient direction and planning from the federal government to give this initiative to the provincial governments.

I must say that in many cases I feel this almost circumvents our democratic system. For example, last night we talked about vocational training for unemployed. We find that in spite of the fact that the dominion government has been most generous, this program has not been accepted in the dynamic way in which the federal government itself hoped it would be accepted. The provinces have not gone all out to train unemployed people. This is the problem. When it comes to debating it in this house, of course the government rightly says it is the fault of the provinces because they have not gone all out in the program. When it is debated in the provinces the provincial governments say it is a federal plan, the federal government has provided 75 per cent of the funds and it is really not their responsibility. I think this is a negation of our whole system of democratic governmental responsibility.

I think the people of Canada tend to become disconcerted by this approach. There is nowhere you can say somebody is at fault or somebody should take the praise for the measure. I hope this will not be the effect of this particular piece of legislation. I hope there will be definite direction and plans from above, and that there will be a real effort to make sure that this legislation is carried out in a dynamic way.

One of the problems that I am sure the provinces are going to face in carrying out this measure is the lack of facilities. It is too bad that last winter we could not have been building recreation centres across Canada into which this program could have fitted. We could have provided the horse before we provided the cart. It is too bad, because I think this is a major problem. The minister mentioned track and field facilities as a major area of our concern. In my constituency there is not an indoor track within 80 miles. How can we, in a climate like ours, produce athletes of Olympic calibre and sports enthusiasts under these conditions? There is not a decent outdoor track for 40 miles, and we virtually have to go down and kick the ponies off the racetrack and try to run the boys and girls in what can only be described as mud in many cases. A country the size of Canada should be providing these facilities at this stage.

We hear this all across Canada from other track and field groups, universities and high schools. Until we provide facilities we cannot produce the results. Is it not too bad that the Minister of Public Works did not announce a bill extending N.H.A. financing to municipalities in order to provide recreation centres, instead of paying out so much money in unemployment insurance. This could be done either through the winter works program or N.H.A. financing, as we have done in providing residences to universities, sewage projects, and so on.

We must show that the national government is serious about this whole matter of physical fitness. We know there is a problem regarding swimming. I think there are only three or four Olympic size swimming pools across this nation. I think this is a serious problem. We are not concerned, I am sure, about simply producing Olympic champions. I am sure when we realize that the U.S.S.R. produced a championship gymnastic team, it

is not the fact that seven of their people won Olympic gold medals which concerns us, but that the Olympic team was chosen from several thousands gymnasts across the U.S.S.R. I am sure this is the kind of thing this legislation is designed to do, and we sincerely hope it will achieve these results. But it must be done with considerable purpose, planning and direction if it is going to provide the kind of results which all of us in this chamber, of every party, are hoping will be achieved.

The second theme, apart from the question of facilities, is the problem of leadership. We still do not have enough people to lead a program of this kind. The central council of physical recreation of Great Britain, which I have just mentioned, set up three national physical recreation centres. Is this not what we need? Perhaps we need national emphasis to provide leadership. That council in Great Britain spent only one fifth the amount we are proposing to spend in one year, and they trained 12,000 people in these recreational centres in every sport imaginable. I think we have to provide leadership, perhaps national physical recreational clinics, to give direction throughout the whole of Canada if this physical fitness program is going to have any effect. It so often happens that plans are arrived at by the national advisory council at the top but they do not come down to the bottom, to the level at which the actual physical fitness takes place. Unless people at the bottom are completely cognizant of those plans at the top and how they are to be carried out, how can a scheme such as this work properly? I think this is a major problem which the former legislation failed to solve.

The Leader of the Opposition mentioned the whole question of financing. We are impressed with the amount of money this government has decided to put into this effort. Perhaps, indeed, it will encourage this government to give more money to the areas of education, the arts and the Canada council. In Britain, for example, 50 per cent of the money is provided by private donations. We want to encourage the people of Canada in this regard, because perhaps this is the answer. The Leader of the Opposition said we do not want voluntary agencies to give up and not contribute anything now and let the national government do it all. Is there not a possibility that private donations to this scheme might have some validity and might be a way of centering the interest of the Canadian people upon this scheme?

Of course the third major aspect of this resolution is the creation of the national advisory council. This is the body which must give the direction at the top. As I see it, under the last physical fitness act the problem was that the men at the top knew what they were doing and were making a very worthy effort, but the plans at the top never reached the bottom. I believe this was the major failure of the effort we have already made. I think this is what we must learn from that effort if this program is going to be successful.

The men to be appointed to this council will be a matter of some concern. This will be as large a problem for the minister as deciding which agencies are going to receive the grants. This will be a very difficult problem for the minister and I hope he has already been at work dealing with it. For example, on the council in Great Britain they have men such as Noel Baker, the Nobel prize winner, Right Hon. Vincent Hampden and Brigadier Sir John Hunt. These men are interested in the arts and sciences as well as simply in physical recreation; they are men with wide interests. I think these are the kind of men we want on this council, men who are distinguished in their experience and interests but also who do not see amateur sport simply as poor competition.

I am sure the progress of this bill will be viewed with great interest not only in this house but in the country. I know all of us are hoping that this bill will be worthy of the interest and concern of this chamber, and certainly it will receive the full support of this New Democratic party in this house.

Mr. Weichel: Mr. Chairman, I appreciate the opportunity of speaking on the sports program brought forward by our government to encourage our youth in amateur athletics, and of presenting my personal observations and suggestions in this regard. In my maiden speech in the House of Commons, on January 20, 1959 I was privileged to be the first to mention and support amateur sports and the advisability of the government lending financial assistance in this field. At that time I said:

> It is my opinion that it is now time for our government to take a look at things. A ministry of sports and athletic development might be the answer. With government assistance we might be able to reach the day when we could send national teams abroad without forcing their leaders to go begging for funds to make the trip.
>
> Millions of dollars are spent each year on cultural development in this country. I am in total accord with this as any fair minded sportsman would be. I also feel, however, we should spend a similar amount on the physical and athletic development of our young Canadians. Let the government look at the by-product of sports events.
>
> There is the good will the competition fosters for Canada; the easing of international tension through international sports; the raising of the prestige of the country through participation, and the example the sportsmen on these teams set for our youth. So far Canada has not achieved

the place in international competition which the potential we have warrants. However, with proper assistance that goal is attainable.

There were few things in the government's throne speech earlier this session that brought more loud cheers from Canadians, and especially our youth, than the government's announced intention to give financial assistance to the furthering of amateur sport. The position in which I now find myself makes me very happy. For years I, along with many other sports minded Canadians, have been talking up sport, aiding it in every way I can so that young Canadians can develop healthy bodies and healthy minds. I am now in a position to offer suggestions as to how government aid to a national sports program might be administered.

Although we as Canadians become quite smug about our material attainments, our high standard of living, we trail far behind other countries in the provision of facilities for our sportsmen. Russia, of course, is an example which first comes to mind of a country that is leaps and bounds ahead of us. Through a concentrated government crash program, that country has been dotted with sports palaces, swimming pools and local gymnastic training programs. You might say they are as far ahead of us in their programs as their runners were in the summer Olympics at Rome and as their hockey players were in the winter games at Cortina. The results of government assistance like that provided in Russia have been evident in recent Olympic games, just as our lack of a program here has been evident in our dismal showings.

The ideas that I would like now to present are a combination of my own thoughts, and suggestions from other sportsmen across the country that have flowed into me since the announcement that the government would undertake this program of aid to amateur sports. Because we seem so far behind other countries in this matter our problems are manifold, and for that reason they must be approached step by step. I suggest that our three realms of activity could be:

1. The provision of sports facilities, adequate playing fields, stadia, swimming pools, gymnasiums, tennis courts, and other training and competitive areas. These facilities would mean physical fitness for our youth.

2. The provision of competent coaches, invaluable to our youth.

3. Direct financial aid to national teams representing Canada in international events.

To remedy Canada's lack of sports facilities, I suggest that the government consider a plan providing a certain amount of money per year for, say, 20 years. Grants would be made available to communities which agree to build stadia, playing fields, pools, etc., which conform to recognized international standards, and to any others which Canada may see fit to impose. Because we are far behind, these grants should be substantial so that, say, perhaps 20 communities across the land could get modern facilities each year. These naturally should be strategically located throughout Canada to give the best possible service at the start. The gaps in location could be filled in in future years. This money should not go to communities without there being some evidence of civic support and interest. The government might provide 50 per cent of the cost of any approved scheme; the rest could be raised by the community concerned.

Turning to the question of government aid in the provision of competent coaches for our young sportsmen in every field, it is my suggestion that the government make annual grants to existing amateur sports groups which can come up with a coaching plan and approved coaches who should be, I would think, internationally known figures such as Rocket Richard and Gordie Howe in hockey, Gus Ryder and Cliff Lumsden in swimming, Mr. Reid of Vancouver in rowing, and Wally Brown in track and field, etc. We will have to pay for the best, but if we do it will undoubtedly pay off in a more fit Canada, a healthier youth who will build a healthier nation. The results have been evident in our sister country of the commonwealth, Australia, where a concentrated sports program has produced the world's greatest runners and swimmers.

On the other hand, the government may decide that full time coaches would be desirable. These could be employed by the federal government that will operate the nation's sports program, and made available to clubs across the country on demand. When not out on the hustings in this capacity, these coaches might be planning Canada's future progress in their particular lines, developing visual aids with special films, delivering talks and writing manuals on sport.

Let us now turn to the matter of competition expenses of our sportsmen who will develop this far reaching program. It is my belief and that of millions of sports loving Canadians that all national teams going to international events such as the Olympics, the Pan-American and commonwealth games, world hockey tournaments, Davis cup tennis championships, etc., should have their basic expenses paid by the national treasury. Their costs of uniforms, equipment; hotel and travelling expenses and other incidentals should also be met. I do not believe, however, that

there should be a scheme providing for personal reimbursement for time lost from employment. If some private contributors wished to help defray the loss of money by any individual, that would be another matter. It is my firm belief that all our national sports representatives should be removed from the embarrassing position of having to go, cap in hand, begging for bare necessities when other nations fully back up their sporstmen through the treasury.

I am very close to this problem, coming from the Waterloo North constituency which I call home. Its major municipalities, the twin communities of Kitchener-Waterloo, through their former hockey team, the Dutchmen, represented Canada in two Olympic hockey tournaments. In order to make these two trips the people of Kitchener-Waterloo and the district, along with some sports minded friends, had to raise over $40,000 for expenses. Financial worries for those taking part are a big hindrance in their desire to win. This was clearly demonstrated in the case of the Dutchmen, who had to make a special effort the last few days prior to departure for Squaw Valley in raising extra funds. Yet this team was not representing Kitchener-Waterloo; it was Canada's team. All Canada felt sorrow at their plight and there was experienced almost a national embarrassment when the team lost to the Russians in 1956 and to the Americans last year.

This situation also applied in the cases of Miss Anne Heggtveit, Canada's first Olympic Alpine champion, the champion pair skaters of Toronto and others who competed. They carried the financial burden, assisted by donations from individuals and associations. Our country did not share in the expense incurred in sending these athletes thousands of miles to compete in the highest arena of sports in the world.

In providing this money, however, there is an underlying danger. There must be a proper balance struck so that individual initiative and leadership are maintained and encouraged. Too much welfare dulls the spirit. Not enough of it means misery, as some of our teams that have struggled to compete in international competition will attest. Sport is no different from anything else. If it is made too easy the sportsmen will not appreciate it.

Now the major consideration is, how can this country-wide program of aid to amateur athletics be instituted? This council, to be called a national advisory council on fitness and amateur sport, should have a permanent office in Ottawa, with the funds administered through the department of health and welfare by the minister of that department. So that the ideas can filter down to local levels there should be a voluntary provincial council or sports body of some kind headed by an Ottawa appointed sportsman. Then in each sizeable community across the country there should be a local community recreational council similar to the one acting in my home town of Elmira and other similar centres, to carry out the broad program and wishes of the national committee or council. About 15 years ago this council was instituted in my home town and I had the honour and privilege of being its first president. This council has been very successful, and in order to show the committee just what it means, our town of 3,200 people is spending $15,000 every year for recreation and sports purposes.

How can we maintain this spirit of helping while getting aid from the government? One answer could be a national sports day each year, when every local group would sponsor a program to raise money to augment the national effort. We could aim at, perhaps, 10 cents a head. That would provide $10,000 alone in my own twin cities of Kitchener-Waterloo and district, and in Canada as a whole $1.8 million. The money would go a long way to pay administrative costs and some of the expenses. In addition, the publicity and the locally staged efforts would give the program the national focus it would need to whip up country-wide support.

These are my suggestions, Mr. Speaker, for a sports organization that, I believe, will in a few years put Canada in its rightful place in world sports activities, and in so doing it will develop generation after generation of young Canadians with healthy bodies, healthy minds and a true understanding of sportsmanship, fellowship and friendship.

The problem of juvenile delinquency has become so widespread that it constitutes a pretty serious indictment of the society in which we live. The fact that this problem is caused by only a small minority of our youth does not excuse it nor minimize its importance. In 1958 Canada had 31,000 or more juvenile delinquents. Like all proud parents we expect a lot from our children, and we must continue to do so if our young country is to fulfil its ambitions. We should not forget however, that they will only be able to shoulder their responsibilities in a manner consistent with the teaching and example which they have received from us. The sports program suggested by our genial Prime Minister and being brought forward by our government, with the assistance of parents and all sports minded citizens can be priceless in helping to wipe out juvenile delinquency. With a country so young, so virulent, and with such a promising future, can we afford not to have this program?

Advisory Council on Sports

For some years we have had some sports minded citizens who have made a fine contribution to amateur sports, perhaps in some cases unknown to Mr. John Public. I refer to such men as Major Connie Smyth, M.C., of Toronto. Some army officers credit this man with the high place that hockey holds in the army sports program. He made the army hockey conscious when he organized it during world war II. The sports program for Canadian servicemen and their dependents has been steadily broadened in the ten years that Canada has been contributing ground forces directly to NATO. Mr. Len Taylor of Kitchener, one of Ontario's leading sports writers, who has been on many visits to Europe with our competing teams, has this to say:

> Some of the most interested people in the projected national sports and recreation council for Canada live in Europe.
>
> Among the Canadian forces overseas there is a greater awareness of the need for a national program than there is among the average man at home. This is due to several factors. One of them is that the army and air force personnel here have been provided with far better facilities than any Canadian community.
>
> Another factor is that they are able to see at first hand what can be done by a national program because most European countries are years ahead of Canada in this field.

These European friends, including our own Canadians, are very interested in the government's sports program aimed at encouraging youth in amateur athletics. May our efforts not be disappointing to them. Recently I read an article written by Peter Fraser in which he refers to another fine Canadian, Mr. Jim Daly, the new national track chairman for the amateur athletic union and former Manitoba half mile champion. This gentleman is promoting a program for more year-round competition on the local level leading up to interprovincial meets and winding up with a national final. Mr. Daly is very enthusiastic and feels that Canada has a track and field potential to finish third in the British empire games. He admits that money is needed to carry out his program, but he feels that sport can ultimately pay its way. This man has done a great deal in promoting track and field for our youth.

Yes, Mr. Chairman, Canada has many such sportsmen ready to take their part in this program. I think of such wonderful organizations as the Royal Canadian Legion. I understand that up to now the Legion has spent up to $80,000 on track and field alone for our young Canadians, and many thousands of dollars on other recreational work. President Kennedy of the United States recently appointed Charles Wilkinson, the former coach of Oklahoma football teams, to head the national youth fitness program. Mr. Wilkinson thinks that his first problem will be to track down the youth and sell them the idea that getting and staying in shape can be fun. After all, youngsters must be convinced that keeping in condition pays rich, lifelong dividends.

In recent years it has been recognized more and more by Canadians, as well as by our American friends, that physical fitness has an important part to play in the life of every nation; therefore it is gratifying to know that our government has given this desire the impetus it needed, the go-ahead signal that will provide sports for all. I will keep striving to further this program, to assist others in its promotion and to encourage every Canadian to give it his wholehearted support. Let us now forget about our past lack of a national sports program, our lacklustre performances in international events, our poor publicity through weakly supported teams and individual competitors, and look ahead to a brighter future for sports in Canada.

(Translation):

Mr. Clermont: Mr. Chairman, according to press reports which appeared in most Canadian newspapers on August 28 last, the Prime Minister (Mr. Diefenbaker) stated in Toronto on August 26, at the official opening of the international hockey hall of fame, that he would recommend to parliament the establishment of a national sports council to improve conditions in the field of recreation, amateur athletics and physical education.

The resolution we are now considering contains the following recommendations:

1. The establishment of a national advisory council for the encouragement of fitness and amateur sport.

2. To provide for the making of grants to agencies, organizations or institutions.

3. To provide for entering into an agreement with any province for the payment by Canada to the province of certain contributions in respect of the costs of programs relating to fitness and amateur sport.

4. That the contributions and moneys paid every year do not exceed in the aggregate $5 million.

5. To provide for the payment of the chairman's remuneration and of the travelling and other expenses of the members of the council—

Mr. Chairman, the resolution has nothing to say about the standards which will establish the statute of an amateur. Will they be the

standards followed for the Olympic games and which are described thus on page 781 of Encyclopaedia Britannica:

(Text):

An amateur is one who participates and always has participated in sport solely for pleasure and for the physical, mental or social benefits he derives therefrom, and to whom participation in sport is nothing more than recreation without material gain, direct or indirect, and in accordance with the rules of the international federation concerned.

The Canadian amateur hockey association has defined an amateur hockey player as follows:

An amateur hockey player is one who either has not engaged or is not engaged in organized professional hockey or, if he is so engaged, has been reinstated.

(Translation):

Is the council considering other standards? Which groups of amateur athletes will be eligible for government grants?

Mr. Chairman, I should expect that amateur sports which do not draw such large crowds as, let us say, hockey, baseball, basketball, will get the same consideration from the council.

Sports and recreational activities which should get the considerations of the proposed council would be, for instance, swimming, outdoor athletics, track and field events, hockey, boxing, cycling, fencing, gymnastics, physical education, rowing, shooting, archery, tennis, baseball, figure skating, basketball, judo, etc.

Mr. Chairman, the council will have to tackle the difficult task of dividing fairly this money, so that all sports, all organizations and all athletes benefit by it. There lies the problem. And what a problem it will be.

Up to now each group in the field of sports has been looking after itself as best it could. Each leader worked very hard and devotedly to ensure the success of his section. Now, it is to be feared that they will fight one another in an effort to secure the lion's share of this assistance promised by the federal government.

Sports organizations throughout Canada, sports editors and all those interested in the welfare of our youth and in amateur sport, will undoubtedly be invited to offer their suggestions in order that may be found the formula through which sport—and the country —will get the maximum benefit out of that amount of $5 million.

Mr. Chairman, will the council grant bursaries and fellowships to those who would like to become coaches in the sport section of their choice? Will grants be made for the development of regional schools or clinics to train coaches and referees?

Will the council sign agreements with cities and municipalities, through provincial governments, for the construction of recreation halls or gymnasiums? Will the council give assistance to our athletes and teams participating in national games, international games and Olympic games, in the matter, let us say, of transportation, purchasing of equipment, uniforms and even souvenirs?

Mr. Chairman, it is not merely a case of winning victories, there is our country's prestige to think about, the important part the world of sports can play in the improvement of international relations, so that countries may understand one another better.

When the Leader of the Opposition (Mr. Pearson) referred to those projects, he said:

In 1928, Canada had its best successes at the Olympic games.

I should like also to refer to those who, in 1928, won medals for Canada.

(Text):

Mr. P. Williams in the 100 metre dash, Mr. P. Williams in the 200 metre dash, the Canadian team in the 400 metre relay, E. Catherwood in the high jump and J. Wilson in the 500 metre speed skating. The field in which Canada has the most victories is hockey. World hockey competition started in 1920. Canada won the gold medal in 1920, 1924, 1928 and 1932. In 1936 it was won by Great Britain. In 1940 and 1944 there was no competition because of the war. Canada won in 1948 and 1952. Russia won in 1956 and the United States won in 1960.

At one o'clock the committee took recess.

AFTER RECESS

The committee resumed at 2.30 p.m.

(Translation):

Mr. Clermont: Mr. Chairman, when the house adjourned, at one o'clock, I had just given the list of the countries that have won the golden medal for hockey at the Olympic games since 1920.

The council could also ask the national radio and television networks, as well as the private stations, to give more time to amateur sports in their reports.

Mr. Chairman, I should also like our organizations, at the national, provincial and local levels, to continue their splendid efforts in the field of amateur athletics.

Advisory Council on Sports

At this stage, I should like to quote a paragraph from an editorial which was published in the Ottawa *Citizen* on August 29, 1961:

(Text):

Local authorities should not think that their responsibility will end with the federal government's action. It will, indeed, be greater than ever, for success in sports as in so many other endeavours depends on community effort. Funds from parliament, thinly spread over the country as they must be, are only intended to give welcome support to local organizations.

(Translation):

Mr. Chairman, our young people must seek more than mere success in sports. While playing their favourite games, they must try to develop the sporting spirit as such, the respect for the opponent, the desire to give a good account of themselves for their country, while at the same time trying to act as ambassadors of good will in all international competitions, thus contributing to the maintenance of world peace.

Mr. Chairman, I have always been interested in amateur athletics as a medium for helping our youth to indulge in healthy recreational activities and to become better citizens in their later years.

I endorse the principle of the resolution, while reserving myself the right to take part in the debate when the bill is before the house.

(Text):

Mr. Taylor: Mr. Chairman, my first words, of course, are words of commendation. I should like to thank the Prime Minister for the action which he has taken. I had the opportunity of being in Toronto during the Canadian national exhibition when he made this announcement, which was one of great importance. The amount of $5 million annually is about 83 times the amount which the senior government made available for this purpose last year and is exactly $5 million more than the senior government made available during non-Olympic years. During Olympic years, some $60,000 was made available to the Canadian Olympic association.

I should like also to thank the Minister of National Health and Welfare for the fine presentation he made. He certainly indicated that we do not want a nation of spectators but rather a nation of participants. I was impressed by the words of the Leader of the Opposition. The matters with which he dealt were matters about which I have been concerned for some two or three years. I think the Leader of the Opposition made it clear that this was not entirely a matter which could be brought about solely by assistance from Ottawa. It must begin in the home with encouragement by the national government. I have been impressed, too, with the work that has been done in this connection for many years by the hon. member for Waterloo North. He has done a great deal to assist amateur sports in this country. I felt, too, that one of the colleagues of the Leader of the Opposition would have introduced a similar resolution years ago had he not passed away while doing the type of thing that he loved, namely trying to stretch a two-bagger into a home run. I am referring to the late Lionel Conacher. I think that had he lived, and had he had the Canada council as a precedent, he would have been encouraged to introduce the type of resolution which has been introduced here today. The resolution and the legislation which will follow it is certainly a step in the right direction. It is noted that within the last year the government of France has made provision for this purpose of $125 million to be spent over the next five years on amateur sport with a view to regaining lost prestige in international competition. The government of Sweden has granted a subsidy to amateur sports bodies of 750,000 pounds. The government of England has been asked to contribute 5 million pounds for revenue expenditure and another 5 million pounds for capital expenditure each year.

In passing may I also thank the many officials from across the country who have been associated with amateur sports bodies for writing to me, my colleagues, the Prime Minister and the Minister of National Health and Welfare, encouraging the type of action that has been introduced in the House of Commons today. The list is too long to refer to all of the organizations and to the many officials who have spent a great deal of time in presenting their valuable suggestions and very learned briefs to persons here in Ottawa. Upon passage of the bill, amateur sport in Canada will enter a new era.

The Leader of the Opposition this morning referred to some of the stars of yesterday. While he did not refer to Percy Williams of Vancouver by name, he made reference indirectly to him. I am sure that all of us will recall that Percy Williams popped the eyeballs out of the sporting world when he won two great events overseas. I am sure most of us will recall that he had great difficulty in making his way first of all to Hamilton and then overseas. His trainer came across Canada escorting Chinese to New York and he made his way overseas behind Percy Williams on a cattle boat. That is the kind of thing that had to go on formerly.

Today amateurs in Canada are facing murderous competition in the world. It is this welcome type of action that is being taken today that will bring about great benefits everywhere. It is the type of resolution

that will affect the masses. A small contribution of say $75 in a small town will do wonders in bringing the "small fry" along. I am sure that in due course we shall be able to uncover "world class" amateur prospects who are at present buried away all over Canada and the nation's morale will benefit from it.

I have what I feel is a practical program following the passage of the bill. The first practical step could be that able, conscientious and qualified people be appointed to the council. This could well be the most important issue because it will be these people who will have so much to do in advising the government and in drafting rules which will in turn help so many people. I therefore suggest to the minister that much time and effort be spent in appointing qualified men from across the country.

I think a very fine job was done in the matter of choosing persons to serve on the Canada council. Generally speaking, I think they have done a very good job. I read the most recent Canada council report. It is a fairly glowing report of the progress that has been made in its field. I should like to feel that after this new council has been appointed and has spent some time on the matter, we shall have from it equally glowing reports. In the last annual Canada council report we find the following statement:

> —much has been accomplished. This is clearly true of the support that has been given to the humanities and social sciences. With the assistance that the council has been able to provide, the possibilities for advanced study and research in these two areas have been enormously increased; they have not only been enormously increased, they have been taken advantage of, and productive results have followed.

On another page we find this statement:

> The arts story for the year 1960-61 is told in detail elsewhere in this report. Here it is appropriate to make the generalization that during the past four years our orchestras, theatres, ballets, opera, art galleries and festivals have all benefited by council support. In this area of the council's responsibility many problems exist but the overall condition is one of growth and often of improvement.

Then the report goes on to refer to the many individuals who have been assisted by the Canada council. I know that when this legislation is passed and the council is appointed, many problems will develop. The council will not be able to cure all the ills that will face amateur sport, but certainly much can be done to minimize and eliminate the major ones.

Another practical suggestion which I should like to make to the minister would be this. Upon appointment of the council I would suggest that the members of it should study closely the operations of the Canada council. The sports council or council of the other name which the minister has given to this proposed council, will have to decide what amateur sports should be assisted most. The council will have to decide what aid can be given to recreation.

Another practical suggestion I should like to make to the minister would be that members of the council should make a study of what is taking place in other countries and should personally examine the athletic facilities, stadia and so on.

Another suggestion—and in my opinion, this is an extremely important one—is that the council and the government should, at an early date, set up two or three national schools for coaches. Here is a program which could be aimed at the masses and from which, as a natural by-product, our super stars will be developed.

As I indicated, we are entering a new era. The Leader of the Opposition has referred to some of the stars of yesterday. It was said that when Neil Colville first went to New York as an amateur his first account which he submitted to the management was "one sack of apples, one detective story magazine, one pair of shoe laces for dress shoes, one box, small, epsom salts and one telegram to dad." If you compare that account alongside the accounts of modern day stars, it would certainly be refreshing to those who organize amateur sports to go back to that type of thing. In the new era it is no longer good enough for a coach to say, "Here is the net and there is the puck. Put the puck in the net". There is more to the matter than that in this day and generation.

It is no longer true to say, as one athlete said, "Just give me the gloves, any old gloves, and a referee who can count to 10". Times have changed on the world scene, nationally and individually.

I should also like to suggest that the council proclaim an Olympics week every four years, when citizens could be urged to support, with money and otherwise, the Canadian Olympic team. The Leader of the Opposition today pointed out that it was his hope that once the new council was set up and these funds were made available, the public would continue to support our amateurs. Once financial assistance was given to the arts and the humanities, support increased; it did not decrease. I suggest that may well be the situation after we have formed the new council.

I should also like to make another suggestion. Under the new legislation grants should be made to appropriate cities in Canada that show a marked interest in and the ability to hold the Pan-American games.

Advisory Council on Sports

I am sure hon. members are aware of the fact that Canada has never entertained the Pan-American games. We have never entertained the winter or summer Olympics, or the world hockey finals. It is rather a sad comment to find that next year the world hockey finals go to Colorado.

I hope that in this young and vigorous country we will soon be able to bring these international sports events to Canada, because it will do so much to foster new interest on the part of our young people.

Another suggestion which I put forward is this. May I refer, by way of a good example, to the fact that when Percy Williams returned to Vancouver in 1928 renewed interest was taken in track and field sports, with the result that in Vancouver today we hold the largest track and field meets in all Canada. While Empire stadium is not filled to capacity, the crowds number over 20,000 for these track and field events. I feel that some credit is due to Percy Williams for having set an example.

I should also like to suggest that under this new legislation the federal government should give every consideration to the construction and erection of those things which would encourage the youth of Canada to participate in outdoor activities. That is very significant in my area because we have upwards of 5,000 skiers leaving the province of British Columbia every week to ski at Mount Baker in the United States. I feel that under this legislation encouragement could at least be given to the building of those facilities which will keep our amateurs and our skiers at home. This in itself will reward us in many ways.

With this new fund it will be possible for our outstanding athletes to visit the youth of Canada. Personal visits by our best athletes will do wonders in encouraging others to participate in sport. Knowing the champion pays off with young people.

In the past I have witnessed one soccer club after another coming to Vancouver. This is a fine idea. But very seldom do we see our national amateur hockey clubs on the coast. I hope that with the new funds to be made available we will be able to see our national clubs. Whether it be in hockey, lacrosse, or whatever the sport; and we should see our star tennis players, and so on.

Another suggestion I put forward is that once the new council is formed it could encourage the Department of Trade and Commerce to ensure that Canada constructs hospitality centres at international sports shows. I was impressed with the hospitality centres constructed by France and Austria at Squaw Valley. I should like to suggest that when winter Olympics are held in Austria next year Canada should construct hospitality centres there. Furthermore, with these new funds we could hand out these simple, inexpensive pins which young people at these events like to wear. This plays a very important part at these shows. We do not lack the common courtesies at these international events, but we are certainly lacking in some of these matters.

I also suggest that the council could encourage the national film board to attend international sports shows to take films of Canadians participating therein. Different organizations across this country would like to secure films of some of these events and see, for instance, some of the figure skating of Barbara Wagner and Bob Paul; but there are no such films available. Here is a job which could be done with the encouragement of the new council. Appropriate training films could be provided and these could be sent across the country.

I should also suggest that when the council is formed they should do everything possible to encourage the C.B.C. to attend these international shows. In the past the C.B.C. radio has been there, but not C.B.C. television. I think a much better job could be done in this regard. I also suggest that sustaining grants be made to various existing sports governing bodies which are organized on a national basis to enable them to do a more effective job of promoting and developing their own particular sport. Another suggestion is that grants of a non-recurring nature should be made for special projects at the national, provincial or local levels.

I should also like to suggest that grants be made to provide necessary salaries for the upgrading of coaches, a matter I touched upon earlier, the initial stage being designed to provide qualified leaders in the universities and colleges. Another suggestion is that grants be made to the Canadian Olympic Association, the British empire and commonwealth games association of Canada and other organizations concerned with officially recognized international events.

Another suggestion I put forward is that grants be made to universities and colleges and other organizations for the encouragement of intersectional games and/or appropriate national championships.

I further suggest that grants be made for the development of suitable programs of physical recreation such as camping, mountaineering, hiking, etc. Furthermore, grants could be made to the Canadian association for health, physical education and recreation to support consultant and leadership services and increased publications.

These are some practical suggestions which I desire to make and I hope that the minister will in due course give consideration to them. In closing, I wish to say once again how pleased I am to find that appropriate action has been taken by this administration. I am sure that in due course the results will be felt everywhere.

I realize that we will not be able to achieve too much in a short period of time. However, I should like to feel that at the next British Empire games Canada will at least rank ahead of South Africa and that in due course at some of these sports events we will be able to get a few more points than Mexico, and the West Indies. I again wish to thank the government for taking this action.

Mr. Badanai: Mr. Chairman, the idea of a Canada sports council was in all probability sparked by the success of the Canada council which was established by the Liberal government of Louis St. Laurent to assist the arts, humanities and social sciences. This was a popular move which met great success and has been a tower of strength in assisting worthy individuals and organizations. I venture to say that the general approval which greeted the establishment of the Canada council will also be extended to the Canada sports council.

The Prime Minister's announcement which he made on the occasion of the opening of the hockey hall of fame in Toronto last month, to the effect that a national advisory council on fitness would be established and that an annual federal contribution of $5 million will be made available for the purpose of giving encouragement and stimulation to interest in physical fitness and the development of recreational facilities was received with general approval. It is a recognition that in the day and age in which we live there is a great need for active promotion of sports and athletics on a national basis in which a maximum participation by all those agencies with experience in the field of physical exercise and development should be encouraged.

Here we are dealing with the health and fitness of the people of the nation. I am glad to see in this resolution that the government is concerned with the fitness of the people of the nation. This resolution does not spell out how this sports council will be administered nor who shall benefit most from it. We have agencies such as the Y.M.C.A., scout movements, girl guides, community recreational committees, parks boards, and others, all making an inestimable contribution to the sum total of recreation.

Provincial governments are also doing their share in community sports leadership training. I visualize that the federal government sponsored the sports council as a co-ordinator of municipal and provincial governments' efforts in the fitness field, and to meet the opportunities of sending athletes to compete in international contests such as the Olympic games. In such cases, the council would assist in ensuring that no Canadian team would leave our land without maximum training and provisions for their welfare.

We should never allow a situation to arise where a community would bankrupt itself in order to finance its own team as we witnessed when the Belleville hockey team was financed for its attendance at the world competition in Europe a couple of years ago, through a questionable use of city funds, thus casting a shadow on the brilliant victory they won. What was more deplorable was the slander and suspicion of mismanagement directed towards some of that city's elected representatives and faithful servants. I honestly believe that an injustice was done to these public spirited public servants whose sole interest in the matter was to assist in the only way they knew possible to enable their team to win top honours in the international field.

Canada is blessed with a few unselfish hockey enthusiasts who in spite of lack of public support have made a great contribution in fostering the participation of boys of school age in the game of hockey. I have in mind an example in Mr. Maurice Black of Toronto who organized the first hockey school. Out of 70 boys attending only 30 could pay a small tuition fee. If such schools were assisted this would render an inestimable service in the promotion of good clean Canadian sport and at the same time would represent a step forward in assisting Canada to catch up with other countries in terms of athletic achievement and national physical fitness.

The Pepsi-Cola Company of Canada Limited is also to be complimented for its interest and assistance by way of substantial contributions towards enabling some 325,000 young Canadians between ages 12 and 19 to participate in Canadian sport. This was accomplished through the promotion of regional junior championships in a wide range of sports.

Last year, Canada lost the Olympic hockey title at Squaw Valley for the obvious reason that there was a lack of co-ordination in the selection of the team which evidently did not have a sufficient workout in terms of meeting other teams before leaving Canada.

In all of these fields government assistance would be necessary. This loss of prestige by Canada in a sport which was born and developed in this country, revealed without a doubt the need to get the very best out in front before sending a team to an Olympic competition.

Advisory Council on Sports

The loss of the gold medal in the 1960 Olympic hockey event in a sport which we always claimed to be our national game further damaged our prestige and morale. Hockey is to Canada what baseball is to the United States, yet a team from the land of the stars and stripes beat us at our own game.

If as a nation we have grown complacent and are deluding ourselves by thinking that we are superior, and if we are relying on our past performance rather than realizing the ever present danger of being beaten by more determined, better trained, better financed opponents, then we have reached a dangerous state of affairs, and we should not blame the referees but rather our indolent attitude towards amateur sports.

In my opinion the answer to the problem is embodied in the resolution which we are discussing and that is, for the federal government to accept the challenge of encouraging sport in all its phases, and to accept the responsibility of contributing financial support, especially when we are selecting the cream of our youth for international competitions abroad. Canadians are not only proficient in ice hockey, but in skiing, skating, swimming, curling, track and field, rugby and rowing. We have a rowing club in Fort William which won the Lipton trophy in international competition eight years in a row. My constituency also boasts of a rugby team which won the dominion intermediate rugby championship two years ago. In the event that an opportunity of competing in far away places arose, these teams could not enter without a measure of financial support which our city would not be able to provide. The Canadian Legion branches of Manitoba and northwestern Ontario have an Olympic training plan for track and field clubs. In July, 1958 they were able to send some representatives to Toronto. One girl placed first and another second in the high jump event of the Canadian Olympic training plan.

Two summers ago, 11 athletes attended the Canadian Legion youth training course in Toronto, and managed to bring home three gold medals, and several silver and bronze medals. These athletes had to pay their own expenses in attending meets such as the prairie track conference held in Saskatoon, the Pan-American trials, and the invitation meet at Bemidji, Minnesota.

It should be understood that athletes need outside competition for their development without which the chances of winning in a highly competitive sport are almost nil. It is to be noted that the organizations which conduct these various sports activities operate in many ways and are constantly begging for support. The training and skill required in these sports are sometimes helpful in determining the future of many young men carving out careers for themselves in businesses. Some of these men have gone into businesses of their own, and have made good.

By giving our sports minded young men and women encouragement and assistance in deserving cases we would create a favourable climate for good and intelligent citizenship, resulting in inestimable dividends in terms of service to the nation. The council should not however, consider that its existence is for the sole purpose of assisting athletes to take part in international contests. From the Prime Minister's statement, I gathered that this national advisory council on fitness will function in a pattern similar to the Canada council, and if so, I submit the following suggestions. Qualified leadership, properly trained and highly competent, is priority No. 1. It therefore seems necessary to encourage coaches and physical educators to obtain more training, and money should be provided for clinics and summer courses. Such clinics and courses should include all sports and physical fitness.

I believe that emphasis should be placed on physical fitness with a number of short term courses conducted across Canada, and subsidization should be considered for those who could attend courses of longer duration, even if this involves sending people outside our own country. There is some need for training officials as well as instructors in all the various sports.

I would like to call attention to a matter which should be of special interest to a Canada sports council, and that is the junior leaders training conference which the Y.M.C.A. conducts annually at Geneva park, lake Couchiching, and which was attended to the number of 76, by members of leaders corps this past year, from Saskatoon to Montreal. This is an intensive training program for those who will render volunteer service in their own Y.M.C.A.'s and communities. The cost is carried by the leaders and by their own Y.M.C.A.'s, and if a subsidy in the way of travel were possible, it would mean that more leaders could be brought from outside Ontario. Without enlarging on this, it is obvious that Canada needs more Olympic sized pools and more running tracks. In addition, I feel that every consideration should be given to encourage the family engaging in sports and recreation. I have in mind such things as canoeing, camping, hiking, and such like.

May I presume that the interest of the Canada sports council would be in the amateur and not in the professional athlete. We should,

therefore, have concern for the athlete with a future who does not have the opportunity to go to college or to receive a sports scholarship. I would like to see standards created for sports clubs and athletic organizations, and those meeting the sports standards to be assisted financially so as to involve greater numbers.

Financial aid could be considered for those organizations willing to promote provincial and/or Canadian championships. Finance could be considered for those athletes meeting standards to be assisted to attend provincial and/or Canadian championships.

A general athletic development would contribute to the solution of the problem which faces this young nation of having so many of our young Canadians unfit, as was discovered by medical boards in the second world war to the consternation of Canadians in general. It is worthy of note that Prince Philip, during one of his visits to Canada, brought this national weakness to the attention of the Canadian people in his characteristic and forceful fashion.

What I have been trying to convey is probably not the complete answer. Other hon. members have made notable contributions, particularly the hon. member for Vancouver-Burrard, who was the first member to bring this to the attention of the government last year. I certainly hope that some of my suggestions may commend themselves to the Prime Minister and to the government. I also hope that during discussion of the bill the government will be willing to accept, if necessary and if found desirable, amendments which may be proposed. I think it will be a great day for Canada and for Canadian youth when we pass this bill and money is made available for worthy individuals and organizations.

(Translation):

Mr. Bourbonnais: Mr. Chairman, like other members who spoke before me, I am pleased to take this opportunity to say a few words about this resolution.

The Prime Minister (Mr. Diefenbaker) announced recently in Toronto that the federal government was going to provide a substantial assistance to the field of amateur sport in Canada. All the young people of Quebec, and even those who are not quite so young, were very enthusiastic when they learned that at long last the central government was going to deal with this matter which, in order of importance, comes immediately after that of primary education. Indeed, sports are an essential complement to the education of our youth, and the Minister of National Health and Welfare (Mr. Monteith) is to be commended for having introduced this measure the results of which will be invaluable in a few years.

On February 10, 1959, the hon. member for Vancouver-Burrard (Mr. Taylor) made a most eloquent speech in the house—he repeated it this afternoon—when he recommended the establishment of a council to encourage amateur sports. The hon. member must undoubtedly be very happy that the Conservative government has seen fit to take action with respect to his recommendation, which should set an example for all members.

Another member who did a lot to call the government's attention on the importance of setting up an amateur sport council, is the member for Waterloo (Mr. Weichel) who spoke this afternoon but who made numerous speeches in that connection during previous sessions.

The people of the province of Quebec remember that the former premier of our province, the late Maurice Duplessis, liked to attend hockey or baseball games whenever he had the time. It is because of his interest in professional sport that he brought his government to vote—a thing which had never been done before—large amounts of money for the recreational centres of the province, which had been specially established for the practice of amateur sports. His immediate successor, the late Paul Sauve, also recognized the importance of amateur sport and, following the example of his predecessor, contributed much to promote that cause. For example, one of the finest sport centres, the "Centre Paul-Sauve", was erected in Montreal and thousands of young people in the metropolis benefit by it.

In my riding, numerous sport organizations are to be found. In almost all parishes, there is a recreational centre for our youth. Recently, olympiads were held at Vaudreuil and also on Perrot island, where hundreds of young girls and boys took part in the different competitions. The example set by those parishes should prompt all the others to establish such sport festivals. At Hudson, there is the little baseball league, where four clubs are in competition for the local championship. The winning team then plays against other clubs of the area until it is eliminated. We have there some 60 boys between the ages of nine and 13 who are learning, while enjoying themselves, one of the great principles of life: "There is always someone better than you and you must learn how to lose in order to know how to win."

Advisory Council on Sports

I could mention many sport organizations in my county and in the province of Quebec which enable our young citizens to indulge in wholesome recreation and to spend their leisure time building up their bodies and their minds.

I should like to take this opportunity to pay tribute to all voluntary organizers and coaches who are really dedicated and who devote much of their precious time, their efforts and in many cases their money to teach our youth the way to indulge in wholesome recreation.

Sports instructors are doing an invaluable contribution. How many of our youth have been spared from a life of debauch by having been invited to join some amateur team where they have met better companions and found out they had certain natural dispositions which, once developed, restored their confidence and gave them new aspirations? How many of our youth have been lured away from bars by our instructors who made them like sports and showed them how to achieve their physical development?

There are many, many examples, and it is to the credit of those who recognized the importance of amateur sport and who tirelessly worked for that cause. Unfortunately, the number of these charitable people is too limited. Today, in this materialistic age which is affecting all groups of our society, it becomes more and more difficult to ask the individual to make the sacrifice of his time and his energy to teach our youth how to make good use of their leisure hours.

Recreational organizations cannot manage to find the necessary funds to pay for their equipment and provide the locals required by modern sports. Much less can they find the necessary financial means to pay instructors and supervisors who must supplement voluntary workers. Although it is desirable to leave it up to the parents to organize and finance those institutions whose purpose is to supplement the education of their children, it remains that the state, be it at the municipal, provincial or federal level, is duty bound to contribute to the development of amateur sports, which are an indispensable complement to the culture we wish to give our children.

There was a time in the province of Quebec when religious teaching institutions were the only ones to encourage and organize amateur sports. Members of those institutions, priests and teaching brothers, were the only ones to recognize the importance for all young people to practice some kind of sport and to participate in team games.

Those institutions were too widely dispersed in the province of Quebec, and at that time only a very small proportion of our young people were able to benefit from the advantage of amateur sports.

Today, almost all our villages and parishes have very modern schools and adequate and competent teachers. On the other hand, this lay personnel must be paid according to a contract where the teaching of sports is not mentioned. Therefore, in the very great majority of our schools, more particularly the rural ones, which have known fantastic changes in the last 20 years, organized sports and even the practice of sports are unknown. In our schools, sports are left in the hands of devoted people who do not have enough time to give them the required attention. Our young people therefore suffer from a lack of physical training and competitive spirit which would enable them to face the problems of their age with more confidence.

This is in no way limited to the province of Quebec, but extends to all the rural areas of this country.

This is what an officer of the 4th Canadian brigade meant, when, speaking of relations between the children of our Canadian military personnel stationed in Germany and their young German friends, he said:

(Text):

Canadian kids don't want to play games with their German opposite numbers; the Germans are too athletic and too competitive.

(Translation):

This shows a gap in the sports education of our Canadian youth. We know how Germany recovered politically, economically and morally since the end of the last war, and this is due in a large measure to the physical fitness of all her citizens.

This country which knew the greatest destruction and the worst defeat in her history, in 1945, has rebuilt and is experiencing today a prosperity unequalled by any European country, through the determination and the will to succeed of all her citizens. These two qualities are not hereditary, but are acquired by intensive training from a very tender age. This physical training improves the health and strengthens the will power through participation in competitive sports where there is eagerness to overcome all obstacles.

This example of our young Canadians who refuse to play with their German friends, because they are physically superior, should be a lesson to us.

The measure proposed by the Minister of National Health and Welfare is adequate and will give all the Canadians the required incentive to regain lost time in the field of

amateur sports and will improve their physical condition to make it superior to that of most of their elders.

There is no doubt that the Canadian people love sport. But I think that we are all somewhat of the spectator type sportsmen who prefer to watch their favourite sport while comfortably seated in an arena, or in a chair before a T.V. set. We would rather watch the performance of some professional hockey or football stars.

I would not wish to criticize our professional athletes who bring us fame, especially in hockey, and who contributed in spreading throughout the world that typically Canadian sport which spotlighted the excellence of our athletes abroad. But our interest in professional sports should not cause confusion in the minds of our youth about the very reason for the existence of sports in a highly civilized country.

Active participation in any sport is becoming more necessary for all young Canadians, particularly so with the modern tendency to replace men by machines, due to which physical effort is becoming less necessary to ensure one's survival.

Since everyone can put forward his suggestions concerning the use of the funds to be voted following the adoption of the legislation before us, I, for one, would rather have greater emphasis placed on youth training in sports and on the practice of physical exercises.

Our young people have no idea of how to organize and amuse themselves until some instructor gives them that knowledge. The young from six to 16 or 18 years of age need a monitor, or a coach to teach them how to participate with enthusiasm in team games. It is also necessary to have someone teach them physical education and other sciences. The participation of our amateur athletes in the Olympics or in other international competitions is very important to maintain our country's prestige abroad, and everyone across Canada is happy whenever one of our fellow citizens wins a trophy or a gold medal for his achievements in a competition. But if we are to increase our achievements in sport competitions abroad, the first thing to do is to train all the young people among whom we shall discover many potential athletes.

I therefore suggest that those monitors and coaches be trained through an agreement with the provinces or by the Canadian armed forces, so that every city, town or parish may have some day, one or more experts in the organization of amateur sports, coaches or physical instructors.

A special corps under the control of the Canadian army could be formed and young people 14 years old or more could join during the summer holidays and learn the science of sport organizing and physical education. In addition, when they returned to their books, those young people could teach others what they had learned in such training camps, while they were paid for that service, which would help them to carry on their education.

A number of other suggestions could be made, Mr. Chairman, but what really matters is to arouse, in our young people, the desire to take part in sports and to train themselves so as to become champions, true Canadians, strong and exuberantly healthy.

What young man has not dreamt some day of being as great as Maurice Richard, Gordie Howe, Robert Bedard or Babe Ruth? We must replace this inclination to dreams by the desire to undergo training. We are therefore responsible for giving them the opportunity of doing so and of becoming what we have dreamt of being ourselves one day.

In the resolution, reference is made to the agreements which might be signed with the provinces in order to legislate on the amounts of money to be handed out to them under the physical fitness and amateur sports program. This reference is a good indication of the attitude of the Conservative government—that of always respecting the autonomy of the provinces, especially of those that are very sensitive in that respect, when education is concerned.

In conclusion, Mr. Chairman, I want to say how proud and happy I am to note that the resolution before us will be yet another of the many important accomplishments of this Conservative government. I feel proud, for the benefits which young Canadians will derive from this measure will be to the credit of the Prime Minister (Mr. Diefenbaker), of the Minister of National Health and Welfare, and to the credit of all the members of this house, and especially of those who are responsible for it.

(Text):

Mr. Macdonnell: Mr. Chairman, I should like to make a small contribution to this debate. I think that up to the present it has been most useful. The minister put the subject forward on a broad and intelligible basis, and the discussion has been carried forward on that basis. This matter could be of enormous importance. It seems to me that some of the incidental things that have come out during this debate have indicated how important the considerations are. One of the things I liked about the minister's speech was that he made it quite clear this was not merely a resolution on physical fitness

but also on what might be called morale or moral fitness. He pointed out how far-reaching the effect would be, stating that participation in athletics had an effect on peoples' emotional nature; that it helped them make friends. He even suggested it might help us make international friends. He had in mind perhaps an ancient practice which is referred to by one of the nineteenth century poets. In speaking of the Persians he said the Persians taught three useful things: "To draw the bow, to ride and to speak the truth". I take it the implication in that is that they felt physical fitness and moral fitness were akin to each other. I think so too.

I was delighted, as I say, with the breadth of the minister's approach to this subject because I felt that it meant he would be seeking for the national council the kind of men who will understand these things and do a good job.

If I may just digress for a moment, when the minister was speaking about sport being a means to international friendship I thought of the current issue of the London *Illustrated News*. It was rather pleasant to see a picture of the Russian crew taking the grand challenge at royal Henley and another picture showing an English oarsman winning the singles and being congratulated by the Russian who had been defeated. I am not forgetting what the Leader of the Opposition said this morning, that we need not deceive ourselves when the Russians come to participate in our academic events. They may not be single-minded; they may have other things in their minds, but that does not worry me. My feeling is that in the end it will be good. The more we see of each other, the less likely we are to drop bombs on each other. In my opinion, we must go ahead although there are plenty of discouragements, as the minister implied, with these friendships.

I should like to come back now to say a word about sport and our own parliamentary system. I believe it was the great American writer William James who said the English parliamentary system could not exist without a spirit of sportsmanship. What did he mean by that? I think it is very clear and was made clear by a remark in this house by the late C. D. Howe years ago. He said, speaking of the House of Commons, "we of the government open the house but you in the opposition close it." How true that is. What does that mean? It means that the business of this place could be brought to an absolutely dead end unless there were a spirit of sportsmanship, of give and take.

This same spirit can be applied to other things. It can be applied to business. We know there was a time, perhaps it is not so prevalent now, when a current phrase throughout the world was, "the word of an Englishman". Consider what a promoter of efficiency that was. We all know that in business if you can take a man at his word, you have greater efficiency. Those of you who are lawyers know that there is a phrase used by lawyers. I would not do business with him on the telephone. We all know what that means. We all know how it slows up the conduct of business.

However, I come back to say that I was glad the minister referred to the emotional side in his speech this morning. Do not let us forget that the Secretary of State for External Affairs, when reviewing external affairs the other day, said that we had to toughen ourselves and be prepared to perhaps make sacrifices and bear burdens we had not borne before. Those of us who have been in the army will know what it would have meant to try to carry on war unless you had people who had been brought up through the practice of sport to have a sporting sense and a spirit of toughness.

I am not going to go into the details of the subject. People who have spoken in this debate know much more than I do about the details of athletics, and they have been able to make much more useful and practical suggestions. There is only one point I want to make, and I want to stress it as strongly as I can. I believe there are a lot of people who regard this bill as something which is designed to promote greater skill and promote a larger number of highly skilled athletes. This is not my idea. I do not mean we should not make a reasonable grant towards the Olympic games. I do not mean that at all. But in my opinion what we want is a democracy of athletics; we want the largest number of people playing. We want them to be playing, as the minister said this morning, not for the prize but for the love of the game.

I was terribly taken aback by what the hon. member for Peterborough said this morning. I could hardly believe my ears. However, I have spoken to him since and I had not misunderstood him. He said we now had in the schools a great many boys who do not want to play games. I assumed every right thinking, healthy Canadian boy wanted to play athletic games. I was devastated to hear that was not so. Then, I began thinking about it and I said to myself, why is it not so? There were two things that occurred to me and I think they are both relevant. The first is professionalism. The production of people of super skill who become heroes to the youth has the effect of discouraging the youth from taking part in games. The boys feel, what is the use; I cannot be an expert so why should I play?

Another thing is the lack of playing fields. I think it was the minister who spoke about city life, automation and the effect of that. When I go up and down my constituency and see boys playing hockey, if you please, on the dry streets without any other place to play, it makes me realize that playing conditions are very unsatisfactory.

I lived in a small city when I was a boy and we had playing fields within 100 yards of my home. We never lacked them. Now, we have this new urban civilization, and I think we are faced with a new problem. I say again that I hope with all my heart the bulk of the grant which is being made will be made to encourage the participation of the largest number. When I was told that the desire to play athletic games had lessened, I wondered if that had anything to do with education. I wondered if the literature the boys were reading was different. We used to read Sir Walter Scott, what I suppose one would call heroic literature. I wondered whether this tendency had disappeared. Those who know more about education than I do will know whether or not this is a consideration.

I feel, with all my heart, that if we are raising a generation of boys who do not like athletic games, then it is a dangerous situation. Every one of us should be concerned about it. I believe that as firmly as I believe that I am standing here. I have little more to add, but I should like to repeat what I said a moment ago. I hope very little of this money will go for the purpose of providing high class coaches and high class players. They will be provided by business. In my opinion the box office will take care of them. But what I hope will come from this legislation is that there will be democracy of athletics and that we shall work against a situation in which young boys sit and watch television or engage in other equally unathletic occupations rather than take part in athletic games.

The last point I wish to make is with regard to the question of the council. It, of course, will be all important. I have no nominations to make. Judging from the minister's speech this morning, I am quite sure that we can safely leave the matter in his hands. I have just one suggestion to make for what it is worth. I believe that the chairman of this council ought to be a man who is in touch with youth. For that reason I would hope the minister would take a good look at universities and other educational institutions, including high schools, if you like. At any rate, I would hope that he would endeavour to find someone who really has been in touch with youth and who knows the problems such as those disclosed this morning by the hon. member for Peterborough. If that is the line on which the grant is used and if that is the line the council follows it seems to me that what we are doing today is something we can look back upon as one of the most important actions we have taken for a long time.

Resolution reported and concurred in.

Mr. Monteith (Perth) thereupon moved for leave to introduce Bill No. C-131 to encourage fitness and amateur sport.

Motion agreed to and bill read the first time.

SUPPLY

DEPARTMENT OF NATIONAL HEALTH AND WELFARE

Welfare branch—

Family allowances and old age security—

266. Administration, $3,341,497.

Mr. Benidickson: We had a feeling that the minister would give to us a little bit more explanation in reply to the inquiries that have been made and would go beyond saying that he was giving it very earnest study, something which he has been doing for a couple of years or more. Having in mind the fact that we closed on this item at 10.30 last night without an opportunity for him to talk to us, can he not tell us a little bit more about what has resulted from the studies he has made in this field.

Hon. J. W. Monteith (Minister of National Health and Welfare): No. I have nothing further to add. I have explained this matter many times and have said that the report has been studied by a special committee of officials and is now being studied by the government. I cannot report anything further, other than to say that when a decision is made as to action it will, of course, be reported.

Mr. Martin (Essex East): The minister was more encouraging last evening than he is now. He said that an interdepartmental committee had been set up to study this matter and that we could anticipate an announcement by the government much earlier than we would normally have anticipated. We have all taken that statement to mean that the minister was going to bring down some definite policy or program within the course of the next two or three months at the latest. The minister's statement now is not as generous as was the one made in answer to the interrogations I put to him last night. I do not know whether the reason is that the question this afternoon was put by the hon. member for Kenora-Rainy River. However, the minister has not been as forthcoming to the hon.

member for Kenora-Rainy River as the latter deserves and as he was to me last night. This contradiction, in my opinion, calls for a clear and unequivocal statement by the minister with regard to a matter which he acknowledges he has now been studying for three years.

Mr. Monteith (Perth): I should just like to read my words of last evening. They will stand as of today both for the hon. member for Essex East and in reply to the hon. member for Kenora-Rainy River. As found at page 8708 of *Hansard* I said this:

> An interdepartmental committee has been studying it. I should not be too greatly surprised if before too long he were informed of the government's action.

I still stand by that statement.

Mr. Benidickson: Does that depend on an election?

An hon. Member: It might.

Mr. Martin (Essex East): I thank the minister for this confirmation. May I ask him to bear in mind in his studies something that is not contained in the Clark report. What I refer to is this. Having in mind that the old age survivors system in the United States is based entirely on contributions from the pensioner and the employer, there being no financial participation whatsoever by the state, such a scheme in Canada might not be as feasible unless there were contributions by Canada.

We have already put on record our party's view with regard to this matter. We have said that we believe the time has come when such a contributory scheme should be provided for, supplemental to the existing universal old age security plan, and that if and when such a contributory scheme is adopted it should include contributions from Canada as a whole. We hope the minister will give consideration to the position which was enunciated by our leader two years ago in this House of Commons, with regard to a matter that is engaging the public attention more and more.

The problem of our ageing population is, of course, a vital one. Our population is ageing. By 1975 the number of people who will have reached the qualifying age for the universal old age security pension will have considerably increased. The problem of meeting the requirements of an ageing population is not, of course, one that is peculiar to Canada alone. It is one which exists in this country. However, I hope I have a right to be heartened by the statement the minister has made this afternoon.

Item agreed to.

[Mr. Martin (Essex East).]

269. Emergency health, welfare and training services, $8,004,165.

Mr. Martin (Essex East): Mr. Chairman, this vote of $8 million represents the contributions made by the Department of National Health and Welfare to civil defence. This aspect of civil defence, of course, is confined to emergency health, welfare and training services.

I should like to deal with one aspect of the minister's responsibility. I refer to the two important announcements he made in this house during the course of the last few days, when he advised us of the increase in radioactivity levels following the various explosions, undertaken by the Soviet union, following the breakdown of the nuclear tests talks and the decision of the Soviet union to ignore the moratorium and carry on tests.

Perhaps there is no more important problem facing mankind today than the implications resulting from these explosions. I have already said that the house and the country warmly supports the minister in the decision to keep the Canadian people fully informed of the levels of radiation from these explosions. I sincerely hope the minister will keep up this practice. The country will expect it and will applaud him if from time to time, when parliament is in session or when parliament is not in session, the minister keeps the Canadian people informed about the levels of radiation from test explosions and other forms, more traditional, from which have flowed an even higher measure of radioactivity.

The Leader of the Opposition asked the Prime Minister to see to it that the results of these two recent readings were made known to the United Nations. One would hope that these readings would have an impressive bearing on the proposal now before the United Nations, for a further effort toward banning nuclear tests. However, there are certain aspects of this problem that have not been touched upon in the minister's statements or in the comments made by opposition members following those statements. I think I should deal with these at this time.

I am not quarrelling with what the minister said. Certainly I would not be in any position, scientifically, to take issue with him and I have no doubt that what the minister said represents the best scientific thinking available to him. But since he made these two statements I have had an opportunity of examining the observations made by several Canadian scientists, one in Manitoba and one in Halifax.

I regret that I do not have at my fingertips the names of the two Canadian scientists

who have expressed the view that the levels of radiation, prior to the recent Soviet union explosions did warrant the belief that there was an increase in the danger to human health. The two statements of the minister established the view that the extent of radioactivity in our country, including that brought about by the 13 or 14 Soviet union explosions, had not added appreciably to the danger to human health in our country.

These two scientists, however, take issue with this view. As the minister knows much better than I, the scientific opinion in the world on this whole question is divided. I have before me now some notes that I made on a recent statement of Dr. Linus Pauling, one of the Nobel prize winners in physics. I might possibly have refrained from relying, for the present purposes of my argument, on Dr. Pauling because of the political views which one might reasonably have thought he entertained. However, the recent statement he has made is directed not against any test explosions by the United States—those test explosions, of course, were made underground and in the laboratories—but against the test explosions made by the Soviet union.

I do not believe that if we are going to discharge our responsibility to future generations we can overlook this problem. We need not make dogmatic assertions as to the existing danger, but I do not believe we can ignore the kind of statements made by Dr. Pauling and others.

If future generations should suffer, particularly through strontium 90, which takes a long time to level out, and if as a result of these explosions and other forms of radioactivity human beings suffer from cancer and the like, we in this generation will, I think properly, be held accountable if we do not demonstrate that degree of care and concern which I am sure we all want to display at this time.

Dr. Pauling estimated that today—that is, as of yesterday—the fall-out from nuclear tests carried out by the Soviet union in the current series will increase by 5 per cent to 10 per cent the total of human death and damage which would ultimately have been caused by the tests of all nations up to the end of 1958.

If that statement is true, then the situation is even more serious than that conveyed in the two statements made by the minister. I am sure it will be found that other scientists do not fully agree with these conclusions of Dr. Pauling, but we cannot ignore a man who has been recognized in this field, through having beeen awarded the Nobel prize. We must take into account his views as well as those of Dr. Teller, for instance, the discoverer of the first American atomic bomb.

Dr. Pauling argues that previous tests could be expected to cause, for instance, 140,000 grossly defective children to be born in the next few generations due to the relation of fission products such as cesium 137. He also says that 2 million grossly defective children will be born over hundreds of generations as a result of the atmospheric production of carbon 14, which has a half life of 6,000 years. He also argues that the deaths of 140,000 people before their time in the present and the future generations due to leukaemia, bone cancer, other forms of cancer and other diseases might result from strontium 90 fall-out.

He then points out that if Mr. Khrushchev should carry out his threat of discharging 100 megaton bombs the damage would be double the present calculated damage.

He concludes his statement by saying:

> When scientists such as Dr. Edward Teller, the American father of the H-bomb, speaks of there being "no danger" from radioactive fall-out they are using the word "danger" in a special sense. They mean there is no danger of the human race coming to an end or of countries being depopulated by the radioactive fall-out from bomb tests. They do not mean that individual human beings will not suffer and die.

We cannot ignore the deaths and suffering which nuclear testing, certainly if continued on an accelerated scale, will cause. I join with all hon. members of the committee and others in the country, in supporting the government and particularly the Department of National Health and Welfare in the pursuit of the sampling and testing that is being undertaken. We hope it will be possible for countries not now fully contributing to the collective effort of the United Nations in these sampling processes to do so. I believe that Canada is undertaking for certain countries tests on foods such as milk. We hope that in the interests of mankind itself all countries would ultimately assume these responsibilities.

I know the minister is concerned about this problem. He has indicated that thus far there has been no real injury to human health. That was the view taken in the United Kingdom in 1956. The minister might tell us if he subscribes to the view expressed by the Right Hon. Ian Macleod who said on March 22, 1956 that radiation does produce genetic effects but that the radioactivity of the atmosphere is increased only slightly as a result of nuclear bomb explosions. Is the situation today substantially that, notwithstanding the increase in the levels following the recent explosions undertaken by the Soviet union? Is it still the view, as stated by Mr. Macleod at that time, that present knowledge is insufficient to fix precisely the level of radioactivity above which genetic damage would substantially affect the well being of populations?

Mr. Macleod also observed on that occasion that research in genetic changes is necessarily and inevitably slow in producing conclusive results. Have any new conclusions been arrived at with regard to the rapidity from which inferences may be drawn?

Mr. Macleod concluded his statement with remarks which I quoted in the House of Commons in reply to a question put to me in my capacity as minister of national health and welfare. He said, in effect, that it is extremely unlikely that the increase in radioactivity which has appeared up to the present will have any appreciable genetic effect. Since that time there has been increasing evidence unearthed by scientists which would suggest that possibly one cannot now go quite that far. There may not be any evidence to show that the increase in radioactivity will have any appreciable genetic effect, but can one dogmatically say that the increase in radioactivity will not in fact have an appreciable genetic effect?

When the minister replies will he tell us whether or not there has been an expansion of the program under which the University of Toronto is measuring the levels of radiation in the human body and in various substances on the earth's surface? The minister will recall that in 1956 or 1957 the government of that day, with the support of the house, provided a substantial grant to the University of Toronto for the purpose of ensuring a greater measure of reliable information on radiation levels. It would be interesting to know if that work has been extended and if similar work is being done at other universities. I am sure there has been an expansion in this area but I am not familiar with the details. I know that the government has increased the sampling stations and it may be that in that process it has also embarked on an extension of the program through the universities.

This is a matter of the greatest importance. Through the mail we are receiving, there is increasing evidence of public concern over this matter. The government has taken the position as I think have all hon. members that there should be no future nuclear tests. The Secretary of State for External Affairs has been adamant in this particular. He has taken the position that there should be no tests with or without control. That is not the view of all countries, even some in the western world. I believe that the symptoms of the problem and the possible danger arising out of the detonations are such that we cannot be too vigilant in our effort to obtain the most accurate information. If there are grave doubts as to the genetic consequences, then it would seem to me we are in a position in which I would regard it as immoral to embark on programs of nuclear test explosion, when there is doubt as to the potential danger for the human race.

We are presently engaged and rightly so in expending millions of dollars in research against cancer, one of the great enemies of mankind. We vigorously applaud the achievements of the medical scientists in gradually closing in on that enemy. It would be ironic, if in the face of the progress that has been made, in the light of the resources that are being expended towards that objective, we should through this other medium about which I have been speaking bring about increasing causes of cancer among human beings. I refer not only to cancer but to other forms of illness. Valuable work is being done at the University of Manitoba, I believe, in the examination of milk to ensure that it is free from radioactive forces. About a year ago an assessment was made of an increase in certain Canadian produced milk although it was not said to be a dangerous increase. Scientists hastened to advise us that there was no real danger from the milk tested. The mere fact that in that substance so widely used on this continent there was present even a slight increase was enough to cause great concern.

I need not go on. The minister is aware of this problem. I felt it was incumbent upon me to say these things not in criticism of the government, because it is doing everything I am sure that can reasonably be done in this matter, but to elicit a further statement from the minister.

May I make one further suggestion. The minister's two statements were correct. In form they observed the objective language of his scientific and professional advisers. It is correct that the most careful use of language should be made in order to give as objective a portrayal as possible; but this language is not always easily understood. It may be, that because of the difficulty of understanding some of the scientific jargon, interpretations are placed on these statements which might be avoided, if greater care were taken not in cheap popularization of these reports but in the use of phrases and words that might give a greater appreciation to the public of the significance of the reports. There was a suggestion in the Ottawa *Journal* last night along these lines. It struck me that there was some merit in the editorial, and I merely echo it for the minister's consideration.

Mr. Monteith (Perth): Mr. Chairman, when the hon. member finished up with that touch concerning the Ottawa *Journal* last night I presumed that he also read the accompanying editorial and took it to heart.

Mr. Martin (Essex East): No, I did not read that one.

Mr. Monteith (Perth): The accompanying editorial on the same page.

Mr. Martin (Essex East): That was a political editorial and I am keeping away from politics.

Mr. Monteith (Perth): In that respect I would also recommend an article by Mr. Gordon Dewar which appeared on the front page of the second section of last night's *Journal*. He gave an excellent report of the situation as it had been explained to him not only by myself but by Dr. Bird of my department.

First of all, I cannot help agreeing with the hon. member for Essex East that this matter is of the greatest importance and concern. Actually it is a very technical subject, one which I am afraid none of us has completely mastered. To make any statement on this without ample preparation and discussion with my officials is something I would hesitate to do. It is of too much concern to the people and to us in the department to make any statement which has not been a considered one.

In answer to some of the questions I think it is safe to say that Mr. Macleod's words still hold true, to as great an extent as we know. The University of Toronto and other universities have been working in this field, yes, but as to details I am afraid I do not have them at the moment.

I am deeply concerned over this matter. First of all, I think I should say that we said back in 1958 and 1959 that the October, 1958 tests caused a rise of strontium 90 in milk, which has since decreased. It had a significant effect on the air sampling. At that time I indicated that I wished to see the public fully informed and as a consequence this is the course we have been following. I would say that the department is very anxious to get all the information possible that is available in this field. We do not feel that the fall-out thus far has been sufficient to cause health damage. I said earlier that if it was very high over a lengthy period of time it might well cause a health hazard. I do not think I care to go any further.

When I started my remarks, Mr. Chairman, I indicated that this is a very technical subject. I would prefer to have a full discussion on it and give a prepared statement.

Mr. Martin (Essex East): Does the minister propose to say anything about what is done under this item? There is an increase of $2,610,068. This is part of the civil defence program of the government. Does the minister wish to give us some indication of what is going to be done with the additional funds provided and what progress has been made in the program to date.

Mr. Monteith (Perth): The explanation of the increase of $2,610,068 is that first of all emergency health services increased 59 per cent, or approximately $2.5 million, mainly owing to cash provision for the portable hospital and medical stockpile programs. Emergency welfare and training services remained at about the same level with the exception of the special requirements for radiological monitoring training equipment owing to the increase in the training program on radiation at Arnprior college and 10 mobile feeding units and five mobile clothing sorting units which will be used by the provinces for further testing and for training purposes.

Mr. Denis: With the consent of the committee may I be permitted to revert to item 266. I do not want to make any argument but to get details of the amount paid by the federal government to each province since the inception of the Unemployment Assistance Act. I suppose the minister will produce it and have it printed in *Hansard*.

An hon. Member: Order paper.

Mr. Monteith (Perth): I shall be very glad to present that information at any time. I do not need to have the question put on the order paper. I shall be glad to send the information to the hon. member but I should like to point out that the item has been passed.

Mr. Denis: This will be very interesting information for most hon. members. Will the minister be kind enough to have it printed in *Hansard*?

Mr. Monteith (Perth): Yes; I have no objection.

Mr. Martin (Essex East): When I spoke a moment ago I did not have before me several statements to which I made reference. I now have them and I believe it is necessary to bring them to the attention of the minister. For instance I find in the Montreal *Gazette* of November 17, 1959 the following:

> Dr. J. Gordin Kaplan, associate professor of physiology at Dalhousie University, told a public meeting of the Canadian committee for the control of radiation hazards at the McGill physical sciences centre that deception has been carried out by the use of false comparisons, half truths, silent misrepresentation and "deliberate, wilful distortion."

I am not subscribing to that, of course, but simply pointing out what this gentleman has said. He goes on to accuse some United States and Canadian government agencies and spokesmen of deliberately and systematically

deceiving the public on the true facts about radioactive fall-out on this continent. The article goes on to say:

> He said he is convinced that the level of strontium 90 in North America is at the danger point, "that further nuclear test explosions will, in a matter of a few years, elevate the strontium 90 concentrations in children to levels known to cause fatal bone cancers in dogs."

Then there are other statements. For instance, in the *Globe and Mail* of March 2, 1960, there is a statement attributed to Dr. George Dion, dean of agriculture and vice-principal at Macdonald college. Speaking to the central Ontario branch of the agricultural institute of Canada, he said, as quoted:

> The Department of National Health and Welfare says there is no need to worry. I say we simply do not know. There is no basis for these false reassurances. In Canada the numbers would be small, perhaps 35 per year, but still we must be concerned.

Those are two statements about the matter. I have another one here but the two are sufficient to indicate the disparity of opinion in our own country. One can also refer, of course, to many other statements made outside our country, but I believe that the minister should comment on the two statements to which I have referred.

Mr. Monteith (Perth): Very briefly, first of all I should like to emphasize again our concern about this whole subject. Then I should like to say that we have never suppressed any information and we have never given any false reassurances.

Mr. Benidickson: I am sure the minister heard on the national radio news broadcast this morning, as many of us did, the indication that in Ontario at least some technical person would make known each day the result of a daily test of radioactive fall-out. I am concerned whether or not this information will come from an agency of the federal government or will it come from an independent university in Ontario or from a provincial government source?

In a serious debate on civil defence recently some cynicism was expressed about the divided type of government under our federal system which might involve some buck passing with the result that we might not have a complete grasp of a serious situation such as that about which we are now talking. Is this testing to which I have alluded and about which I heard this morning on the radio conducted by someone employed by the minister's department or is it done by the province?

Mr. Monteith (Perth): The department of health of Ontario.

[Mr. Martin (Essex East).]

Mr. Benidickson: If the activity is divided under our federal system, what is the relationship between the federal and provincial governments with respect to this so vital matter of radioactive fall-out testing?

Mr. Monteith (Perth): Our department has been making these tests for some years now and my understanding is that quite recently the province of Ontario undertook to set up its own system of testing. I do know that the situation is being discussed interdepartmentally with the Ontario department of health. We are discussing the matter because we are concerned about the more general situation.

Mr. McMillan: I should like to ask the minister whether the booklet "Eleven Steps to Survival" was prepared under this item?

Mr. Monteith (Perth): No, that is under the emergency measures organization.

Mr. Martin (Essex East): I think the minister's statement will receive attention. While the danger must be appreciated, we do not want to overstate the case or cause unnecessary fear, but does the minister not think it might be useful if he were to give the house some statement as to the existing levels of radioactivity that flow from traditional sources such as the normal use of X-ray which we have been using now for over 50 years? It is suggested now that more careful use is being made of X-ray because of the radioactivity that flows therefrom. Can the minister tell us whether or not the department has been able to eliminate the use of the fluoroscope which was used by so many retail establishments in the sale of shoes and from which there flowed a surprising amount of radioactivity? I think the best opinion suggests that more radioactivity comes from this source than the other, not that the other is not serious, or that we must not be on our guard. If we had this further statement the whole picture would be placed before us in the proper perspective.

Mr. Monteith (Perth): Mr. Chairman, officials of our department have discussed this whole matter with the radiologists as a body. We have made recommendations about the use of fluoroscopes in the sale of shoes from the point of view of trying to see that there is no unnecessary use of these things. Certainly we appreciate that there is radioactivity from some of these sources and we have taken the stand that these devices should never be used unnecessarily.

Mr. Martin (Essex East): Perhaps I have not made myself clear. I think we will all agree that there should be no unnecessary

use of radioactive producing instruments, but can the minister not give some indication of the proportions of radioactivity consequent upon known and traditional uses compared with the radioactivity which flows from nuclear test explosions? I have mentioned shoe fitting fluoroscopes, dental and medical X-rays and the like. Can we not say that there is a much greater amount of known radiation from these instruments and sources than there is from the other about which we have, understandably and properly, such concern?

Mr. Monteith (Perth): I do not have with me the statements that I made to the house prior to this more recent increase in radioactivity. However, thinking back to 1959 I am quite sure that there was considered to be more radioactivity from these common uses than there was in the fall-out of strontium 90.

Mr. McMillan: Following up my earlier question, I just wanted to ask the minister if his department was not consulted in the publication of the booklet, "Eleven Steps to Survival"? I think this booklet should be given a wide distribution. I have heard some criticism of it here in this house by members, but it is some time since I have read it. It seems to me if my memory serves me correctly, too little attention was paid in that booklet to the protection against breathing of air containing highly concentrated radioactive fall-out. I know from reading the newspapers considerable attention is being paid, for instance to the making of masks in the United States and in Great Britain. I do not believe there was any reference to that in the booklet.

Mr. Monteith (Perth): As I mentioned earlier, this booklet was prepared by the emergency measures organization, but undoubtedly in consultation with the department.

Item agreed to.

The Deputy Chairman: This completes the estimates of the Department of National Health and Welfare. We will now consider the estimates of the Department of National Revenue.

DEPARTMENT OF NATIONAL REVENUE

Customs and excise divisions—

272. General administration, $5,278,399.

Hon. George C. Nowlan (Minister of National Revenue): Mr. Chairman, I will speak very briefly on the estimates of this department which, as the committee knows, are divided into two branches, customs and excise and taxation. The votes which we are now considering deal with customs and excise. There has been a slight fall-off in revenues from import duties during the past years and from sales taxes. This was off-set, to some extent, by increased collections from other excise taxes on imported and domestic manufactured goods as well as from excise taxes on alcohol and tobacco.

During 1960 there were 9,351,000 foreign automobiles which entered Canada. This is one phase of the department's activity. During this same period there were 9,291,000 Canadian vehicles returning to Canada, an increase of 376,000 vehicles in the year. This gives some indication of the tremendous expansion of motor vehicle traffic in this country.

Coming to the estimates themselves, Mr. Chairman, the estimates for this division have increased this year by $1,142,198 over last year. The record which we have established in one respect has been dissipated. However, I want to point out to the committee that 87 per cent of this increase results from the general, over-all increase in salaries which was authorized by the house some time ago. I should like to point out also that the division has managed to reduce its personnel establishment by eight positions, even though it has been necessary at the same time to provide for 20 additional auditors as well as 58 additional positions for the inland sufferance warehouses which we have at Toronto and Montreal. Considering the increases essential in these quarters, therefore, and the over-all decrease of eight, I think this reflects upon the department in a satisfactory manner. I would hope the committee would agree with that as an indication of the efficiency of this division.

Apart from salaries, which make up over 84 per cent of the total estimates for this division, there was an increase in the estimates for postage, telegrams, travelling expenses and so on. This increase is directly related to the need for more audit and investigational staffs in the field and to the general growth of business in this particular division of the department's operations. This is a very brief survey of the department's activities but I hope the committee will accept it as adequate. I would be glad to answer any questions to the best of my ability or give further explanations as they are required by the committee.

Mr. Richard (Ottawa East): I want to bring to the attention of the minister a situation which exists in the sales and excise branch which is causing wholesalers a considerable amount of trouble and unnecessary expense. Producers enjoy the privilege of purchasing parts for the repair of machinery used in

production of goods exempt from sales tax simply by making the following declaration on their purchase order:

We hereby certify that the goods purchased and/or imported hereby are to be used directly in the process or manufacture or production of goods.

This privilege is appreciated by producers. However, unlicensed wholesalers are considerably disturbed because they have to purchase goods from suppliers, pay the sales tax and then file a claim later. This is most unfair to wholesalers, and all this trouble could be avoided if the Department of National Revenue would grant the wholesalers permission to use a certificate similar to that which is used by producers to purchase goods from suppliers to fill orders received from producers exempt of sales tax.

I would recommend, therefore, that the regulations be amended to give the same privileges to wholesalers that producers enjoy. I would request also that no one be permitted to make the following declaration on purchase orders without first having obtained approval from the department, together with a certificate number:

We hereby certify that the goods purchased and/or imported hereby are to be used directly in the process or manufacture or production of goods.

If this were done, wholesalers could accept orders and supply the goods exempt of sales tax. At the moment, unlicensed wholesalers receive orders from certain producers who certify that the goods are to be used in production. Some of these producers are not familiar with the regulations and make the aforementioned declaration. The wholesalers accept and execute the order exempt of sales tax, after which they file a claim against the department since the goods were purchased tax included. After verification by the department, some of these claims are rejected. The wholesaler must then send an additional debit note to the producer, sometimes several months after the goods have been supplied. The producer wonders why he gets an additional debit note, enters into discussion with the wholesaler, and quite often refuses to pay because he is under the impression he is entitled to obtain goods exempt of sales tax. In the event such a declaration is erroneously used by a producer, the responsibility is on the wholesaler instead of the department.

In order to avoid this situation, a producer should apply to the department for permission to use the certificate and, upon his application being approved, a serial number should be allotted. Then, the wholesalers would be sure their customers were really entitled to purchase goods exempt of sales tax. I hope the minister will take this matter up with his officials because I have had a great number of representations from wholesalers and I think the matter is vital to them.

[Mr. Richard (Ottawa East).]

Mr. McMillan: I should like to bring item 709a of the Customs Tariff to the attention of the minister at this time. Under this item Canadian-made goods can be sent abroad, for example to the United States, and can be admitted duty free on re-entry to Canada within five years provided, among other things, that from the time of the exportation they have not been enhanced in value, improved in condition by the process of manufacture, combined with another article, or treated in some other way.

Otherwise the appropriate duty in full would apply on the re-entry of Canadian goods. I understand that under this section Canadian tires can be sent to the United States and be imported free of duty on new United States trucks and automobiles that are being imported. The words "combined with any other article abroad" preclude expensive Canadian equipment from receiving the minimum of work on it in the United States to combine it for example, with a duty free tractor as an expensive accessory and then being admitted duty free into Canada. The full import duty would then apply because the expensive Canadian equipment had been mounted on a tractor in the United States. If this assembling of equipment was allowed in the United States to some limited degree our working men would have more work and the Canadian would get his finished equipment, in the case that I have in mind, $133 per unit more cheaply.

I can explain this matter by being more explicit in connection with a company. There is, for instance, a John Deere works in Welland under very enterprising and successful management. Their primary product has been farm equipment. It is a subsidiary of the John Deere Company of the United States. They have facilities to manufacture approximately double their present production. At the present time 70 per cent of their production goes to the United States, mostly to New York state and other northeastern states. There is no duty on farm equipment going into the United States or coming into Canada. In the United States this particular company has been diversifying into industrial equipment in recent years. One of their farm equipment plants in the United States has been converted into an industrial equipment plant and facilities have been completed in the United States to turn one of these plants into a tractor plant for the industrial trade.

The Canadian customer has to pay duty on the industrial equipment admitted from the United States but not on the tractor. Two years ago the Canadian plant started to make bulldozers and they sold them in Canada at the same dollar price as that at which they were sold in the United States. The Canadian importer saved the duty. This company is now prepared to spend $40,000 in order to tool up their plant in Welland to make front end loaders; I refer to front end loaders on tractors. They started to do this some time ago but when they became acquainted with item 709a in the tariff act, they were obliged to discontinue it.

These loaders are mounted on crawler tractors in the United States and are imported and the Canadian importer pays duty on them. He pays duty just on the loader. There are approximately $1,500,000 worth of these loaders sold in Canada by this particular company, $1 million worth of them in eastern Canada and about $500,000 worth of them in western Canada.

The company had plans to bring the tractors to Welland for two thirds of their production and to mount Canadian made loaders in Welland. There would be no problem here. They assert that they can make this loader in Welland as cheaply as they can make it in the United States and that the whole unit will sell for the same dollar price in Canada as that in the United States, and that the Canadian buyer would save $133 per unit. The saving, of course, would be in the duty alone.

It is not, however, economical for this company to bring their tractors to Welland, to mount these front end loaders on those tractors there and then ship them to the United States as this would involve extra freight of from $100 to $150, depending on the place to which they were destined in western Canada. The company has no plant in western Canada and it would not pay them to set up the staff and rather expensive equipment for the small volume of business in that part of Canada. If the Canadian equipment could be shipped to the tractor plant in Iowa for their western Canada requirements and then admitted to Canada duty free, the western importers would save $100 as the only extra expense would be the shipping of these particular machines from Welland to Dubuque, Iowa, where they would be mounted on tractors.

As I see it, this company has $1,500,000 worth of business anyhow in Canada in respect of front end loaders. They ship them in from their United States plant and Canadians pay the duty now. Last year I believe Canadian importers paid upwards of $100,000 duty on these particular American made machines. If there were a little bit more flexibility in respect of item 709a so that Canadian manufactured products could be readmitted to Canada, duty free with a maximum allowable amount of work, on them, I think it would help us a great deal with regard to employment here in our country.

The efficient and energetic president at Welland, Mr. D. Brown, obtained permission from his home plant to go ahead with this new manufacture. As I said, he started to tool up and was obliged to discontinue because of section 709a, of which he was not aware. He assumed that these particular machines would be admitted into Canada in much the same way as tires are admitted duty free when they are on United States made trucks and United States made automobiles. If it were possible to go ahead with this project in Canada, they would employ 35 to 40 men steadily on this work. It would provide extra business in Canada. It would help our secondary industries that would be supplying steel. Not only would that be the case, but it would save our importers, on the present basis, upwards of $100,000 in respect of duty. I should like to hear from the minister on this point. I intend to discuss this when the estimates of the Department of Finance are being considered.

The Acting Chairman (Mr. MacEwan): Shall vote 272 carry?

Mr. Nowlan: If there are any other questions to be asked, I think they might be asked at the same time. I should like not to be obliged to rise too often in order to deal with them.

Mr. Pickersgill: I can save the minister time by asking one simple question. After the minister has replied to the other points raised, I think it would be interesting to the committee if he would tell us briefly just precisely what use he has made of the powers parliament conferred on him in 1958?

Mr. Nowlan: Are there any other interesting philosophical questions to be raised about the history of the last three years?

Mr. Benidickson: If we are getting into that arena, Mr. Chairman, I wish to raise a matter that relates in a close way to this subject. The Minister of National Revenue is of course very familiar with the measures introduced on December 20, 1960 in what was called the baby budget of the Minister of Finance, under which certain resolutions were presented to this house which would amend the Customs Tariff. In particular, to be brief, they concerned amendments to the class or kind of goods which would be interpreted as made or not made in Canada. In consequence

they would have, under the minister's direction, either a high or a low rate of tariff imposed against them.

It has always been my understanding that from the hour that a budget is introduced, the Department of National Revenue automatically carries into force in its administration the decisions announced on budget night. It is true that we have had some legislative difficulty with respect to some of these items. For example, the other place had not approved, as late as six months after the baby budget was introduced, certain of the proposals of the Minister of Finance. As I say, it has always been my understanding that it is obligatory for the officials of the Department of National Revenue, on the day following the budget, irrespective of whether or not parliament has actually completed the statutory approval, to consider what the Minister of Finance announced in his budget proposals as the law of the land.

I read with some surprise after we recessed during part of July and all of August that the statement had been made that, notwithstanding what the Minister of Finance proposed in his baby budget on December 20, 1960, the officials of the Department of National Revenue had in no instance adhered to the new policy that was part and parcel of what the Minister of Finance proposed in that baby budget.

Whether I agree with it or not, I find this rather surprising. I thought it was completely contradictory of all our practices in the past. I understood that the Minister of National Revenue, associated with the Minister of Finance and the officials of the Department of National Revenue, after a budget proposal is made immediately carries out that policy from the time of the announcement, irrespective of whether or not both houses of parliament have approved of the policy.

Mr. Nowlan: Mr. Chairman, the hon. member for Ottawa East raised a question with respect to the administration of the sales tax and its collection as between producers and wholesalers. This is a suggestion which has previously been studied by the department. The whole procedure of the collection of these taxes is under review, of course, at all times. I listened with interest to the suggestion of the hon. member and I can assure him through you, Mr. Chairman, that the department will again take a very close look at this matter and see if in any way and to what extent we might adopt the suggestion proposed by him.

The hon. member for Welland spoke at some length about a problem which is of great interest to him and his constituents and which is of course of interest to Canadians generally; that is, providing the maximum degree of employment in Canada for Canadians and the working out, in so far as is practical and in so far as the law allows from time to time, co-operation between the productive facilities of the United States and Canada so as to provide maximum employment in Canada.

There are various cases where this has been done to a greater or lesser degree, but the hon. member is referring primarily and specifically to item 709a of the Customs Tariff Act. Of course, whatever my sympathies or feelings may be with respect to this matter, the fact remains that item 709a is part of a taxation statute, and that of course falls within the purview of the Minister of Finance rather than that of the Minister of National Revenue.

It is my responsibility to administer the law as parliament enacts it. Whatever merit there may be in the hon. member's suggestion—and I am not saying there may not be considerable merit in it—it is a matter that parliament must consider on the recommendation of the Minister of Finance, as a fiscal measure. I would hope that when the estimates of the Department of Finance are before the committee—if they have not already been concluded because I am not too sure what progress has been made as I have not been too closely in touch with matters—the hon. member will raise this matter with the Minister of Finance. I can assure him that as far as our department is concerned we will co-operate in every way possible to facilitate the maximum amount of employment for any Canadian industry within the law of this country.

The hon. member for Kenora-Rainy River suggested—and I think correctly—that following the baby budget the departmental officials, or the minister, did not start making decisions with respect to class or kind as set forth in the budget. He suggested this was contrary to the practice which had been followed by the department in former years.

I think there is some misunderstanding here. I am told by officials, and I believe this to be the case, that when the Minister of Finance brings down his budget, any tax changes, reductions or increases automatically come into effect that night regardless of the fact that parliament has not yet approved of them. That is the only way in which we can administer the tax laws of this country, because if there were a long period of time between the announcement of the imposition of a tax or the reduction of a tax business would come to a stop or would be accelerated in certain fields, and so on.

However, I am told this does not apply to legislative changes in principles or in practice, as distinguished from rates. In the

budget speech of the Minister of Finance there were proposals authorizing the minister, then empowered by parliament, to enlarge the scope of the class or kind legislation. Very briefly I may say that was it.

We know that legislation was debated here and it was debated elsewhere. The legislation has not yet received the consent of the Governor General, as I understand it, although I must say that I have received this particular information since I came back. Pending the enactment of this legislation the departmental officials have no authority or power to carry out, nor will they carry out, the principles set forth there with respect to class or kind because they have not the legislative power to do so.

Item agreed to.

Mr. Benidickson: Five o'clock.

Mr. Nowlan: Mr. Chairman, I wonder whether with the consent of the house it would be possible to proceed with the estimates? Perhaps I should make this request when the Speaker is in the chair.

The Deputy Chairman: If the minister would kindly make his request when the Speaker is in the chair, he can give it consideration.

Progress reported.

PRIVATE BILLS

Hon. George C. Nowlan (Minister of National Revenue): Mr. Speaker, I should like to request the consent of the house to move that we revert to committee of supply and continue consideration of the estimates which were before it before progress was reported.

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, that will be quite agreeable to us. I should like the minister to know, however, that this represents a genuine personal sacrifice because I understand that an extremely important bill I have been most anxious to bring before the house for many months would have come up if we had not been so acquiescent.

Mr. Nowlan: I thank the hon. gentleman for his courtesy and acquiescence.

Mr. Frank Howard (Skeena): I will not be so effusive about it. There is no disagreement here, Mr. Speaker.

Mr. Pickersgill: But then, it is not the hon. member's bill.

Mr. Speaker: I understand that the minister has requested and been accorded unanimous consent to waive the hour devoted to private and public bills in order that the house might proceed with the business interrupted at 5 o'clock. Is it the pleasure of the house to accord consent?

Some hon. Members: Agreed.

SUPPLY

The house in committee of supply, Mr. Chown in the chair.

DEPARTMENT OF NATIONAL REVENUE

Customs and excise division—

272. General administration, $5,278,399.

Mr. Benidickson: Mr. Chairman, I am curious as is the hon. member for Bonavista-Twillingate with respect to the administrative action that might have been taken as a result of the changes made in the customs tariff in July or August of 1958. On a former occasion—I think last year when dealing with the estimates—I asked the minister what steps had been taken as a result of the amendments passed in 1958 which altered our law particularly with respect to dumping duties. Perhaps the minister could indicate what administrative decisions have been made by him since that time.

Under protest the minister received discretionary powers as a result of the 1958 amendments. Is he able to tell us what classes of goods have been dealt with since that time under administrative rulings?

Mr. Nowlan: I regret, Mr. Chairman, that I do not have clearly in mind what it is the hon. member has reference to but may I point out that the amendments passed in 1958 were fairly substantial and that the department has been administering them constantly since that time. Various rulings and steps have been taken. At one point I did say that no specific action had been taken but to tell the truth I have now forgotten what it was to which I was referring.

Mr. Benidickson: I think reference was made to sections 39, 40 and 41 of the act. I can readily put a question on the order paper in order to secure full details.

Mr. Pickersgill: Mr. Chairman, we all recognize the difficulties under which the minister is labouring and we do not wish to be difficult about this. However, the minister did considerable boasting at one time about the fact that having secured this power, which he told us in 1958 was urgent to the well being of the country, he had never used it but simply held it as a club over the heads of possible importers and kept out goods without any use of it. Surely if the minister has never used the anti-dumping legislation it should not take long to say so.

If he has used it he ought to have in mind in a general way precisely what kind of use has been made of it.

Mr. Nowlan: Mr. Chairman, I never boast. I merely make simple assertions of fact. I indignantly deny the suggestion that there was any boasting on the part of the minister. I do remember that at one time I said that I had not exercised certain authority or done certain things under the act. At that time as the hon. member well knew, I was referring to specific powers under the legislation.

Certainly those amendments were essential and under them we have exercised various powers. The hon. member and others said they would operate to the detriment of Canada, would result in tariffs as high as Haman's gallows, and engaged in other speculative comments none of which has been justified by the record.

I remember that I did refer to the section authorizing us to deal with fixed values on fruit and vegetables coming in when the value was below the average for the three year period. When I made that statement we had not taken any action under that particular item. During my recent absence from the office that section has been brought into effect and one declaration was made thereunder, I believe.

Mr. Benidickson: Does that relate to potatoes?

Mr. Nowlan: Yes. That is the only step we have taken under that item. There was another matter of values to which I referred at that time. I have forgotten for the moment what it was we were dealing with.

We have taken various steps under section 38 which was amended at that time. There have been questions of having a third-country valuation where goods were coming from a country without a free economy. With respect to the proposed importation of certain goods, as the committee knows, we ordinarily accept the value of the country if it has a free market economy. Where a country has not a free market economy, it is occasionally necessary for the minister to make certain decisions and rulings establishing a third country market value as closely as possible approximating the circumstances in the country of origin. I have done that on several occasions with respect to certain proposed importations of gasoline, certain proposed importations of automobiles, pig iron, textiles and other commodities from countries without a free economy. These come to my mind at once and there may have been others.

Item agreed to.

[Mr. Pickersgill.]

BOARD OF BROADCAST GOVERNORS

42. Salaries and other expenses, $331,170.

Mr. Pickersgill: Mr. Chairman, I assume the minister will have something to say on the subject.

Mr. Nowlan: It was not my intention to make any extended remarks. There are various activities of the board to which I could refer. I could deal with the number of hearings the board has held, the amendments to the regulations and applications the board has considered but from time to time these matters have been fairly well reported in the press. The estimates themselves indicate an increase of $32,750 over the amount provided to the board last year. This increase is due almost entirely to the necessity to increase the amount provided for salaries of full-time members of the staff as a result of the general salary revision passed last summer and fall. Just as in the Department of National Revenue, Mr. Chairman, the general salary revision has resulted in some increase in the costs of the operation although there has been no increase in the staff.

In most other objects of expenditure there has been a decrease in the amounts provided this year from last year. That covers the salient features of the board's operations. If there are any questions which the committee wishes me to deal with I shall try to do so.

Mr. Pickersgill: I wish to make a few observations about an interim decision which was made by the board of broadcast governors after what was described in the press as a closed hearing during recess, on which the board gave a public statement on August 28, about which I made some inquiries of the minister before I had actually seen the statement, and when I had seen only references to it in the press. To make my observations intelligible perhaps I should read the whole of this public announcement made by the board of broadcast governors on August 28 of this year:

> At its meeting on Thursday, August 24, the board discussed with representatives of Baton Aldred Rogers Broadcasting Limited, licencee of station CFTO-TV, Toronto, an application passed to the board by the Minister of Transport under section 103(3) of the general regulations pursuant to the Radio Act.
>
> In the highly competitive Toronto market the performance of CFTO-TV compares well with other television stations recently licensed. The programs offered by the station have received commendable audience acceptance, and revenues have met expectations.

I draw the attention of the committee and particularly of the minister to the phrase "and revenues have met expectations" because I think it should be compared with

something I am going to read a little later from these gentlemen. I continue:

The licencee has fully lived up to the commitments made to the board in the provision of facilities and the employment of staff—

I hope the minister is listening to this as well because I intend to read some of these commitments that were made, and if this statement can be reconciled with the statements made by these people to the board at the time of making their application, I have no understanding of the English language. I go on:

—indeed, expenditures on these and on other operating items, have considerably exceeded the financial commitments of the station.

Whatever that means I do not profess to know.

Additional capital is required—

That is interesting too, as will be seen from something else I intend to read later from the application of these people for this licence.

—and the station should not be unnecessarily delayed—

Mind you, this station came into operation only on January 1 of this year.

—in proceeding with required adjustments.

At the time it came into operation everything was perfectly satisfactory for years ahead. They indeed forecast precisely what their profits would be after a certain period and what their losses would be before that period. This is an extraordinary comment on that forecast.

The board is therefore, announcing the recommendation which has been forwarded to the Minister of Transport.

The board recommends that approval of this application be deferred to provide the applicant an opportunity to receive offers from experienced Canadian broadcasting interests on terms and conditions substantially as favourable to the station as the offer which the applicant has received from the American Broadcasting-Paramount Theatres Incorporated. The board should be advised by noon on September 25—

Which is next Monday.

—of all offers made. If in the opinion of the board, no acceptable offer as defined above has been received by noon on Monday, September 25, the board will at that time recommend the approval of the present application for the transfer of shares. If, in the opinion of the board, an acceptable offer has been received, the board will not recommend the present application and will advise the applicant to submit a new application if he so desires.

Now, sir, in the light of the astounding announcement that apparently something like a quarter of the interest in this Canadian station, which made a particular boast of its Canadian character at the time it made its application, was to be sold to American interests, one should read the application made by the applicant who was successful in getting this licence. I, of course, do not intend to read the whole of it but I should like to read certain selected portions of it, sir, and perhaps make a few comments about it. I have in my hands the transcript of the public hearing held by the B.B.G. on March 14-21, 1960, in the oak room, union station building, Toronto. I turn to page 424. The beginning of the presentation was made on March 17, 1960 by Mr. E. A. Goodman, who I assume was a solicitor representing the applicants. I wish to read from page 425 and a little from 426 a few of the observations he made about the applicant. He cited 12 factors and said:

There can be no doubt that all of the preceding 12 factors must be regarded in the light of this final and all-embracing one.

Now relating this important factor to this hearing, it becomes clear that for the proposed Toronto station to be successful in this very highly competitive area, it is necessary that the licensee possess a wide and varied experience in every field important to television broadcasting, together with the ability to use this experience creatively and imaginatively.

I feel that our presentation this morning will substantiate that Baton Aldred Rogers Limited possesses the financial resources—

I ask the minister to note this:

—possesses the financial resources, the material resources, but above all, the human resources that fully qualify them for the privilege and responsibility that the holding of this public franchise entails.

Now the presentation will take place in four phases. The first phase covers the human aspect, it deals with the people presently associated with or to be employed by this company; the second phase covers the financial aspect, that is the capital that is available from its expenditure; the third phase sets forth the technical details,—

I am not going to go on with that.

—and the fourth and final phase, which is a culmination of everything else, covers programming.

The first and second are the two I am going to deal with, and I am going to read a few points relative to the point made. On page 427 we find the following:

Now I turn to the first phase of our presentation, the human aspect. The people responsible for its management are the most important factor in any company. This is particularly true when you are in a creative field like television concerned with education, the dissemination of information and the presentation of entertainment.

Then, he goes on to describe very briefly who these people are. The principal one is Mr. John Bassett, who is the chairman of the board of the company and who has a connection also, of course, with a newspaper known as the Toronto *Telegram*. He explained Mr. Bassett's connection with the *Telegram* and various other philanthropic activities—I use that term advisedly. Then, he went on to say:

Mr. Bassett, however, possesses qualities which are even more important to the operation of the

proposed station than his newspaper and executive experience. These are a deep understanding of and a high regard for his fellow men.

I am sure, sir, that the board was particularly touched by that observation. Mr. Bassett was then given the task of presenting his colleagues. He pointed out how difficult it was going to be for this station to compete with the three stations in Buffalo and with the C.B.C. and to build up an audience with programs that were essentially Canadian in content. He saw the Toronto station as an anchor to the whole of private television broadcasting in Canada outside the national network. He said, as found on page 429:

It is our belief that none of these requirements will be met, nor will the job of building a station be successful, if the new television station is simply to be a carbon copy in concept and programming of the American stations which now come so strongly into this area.

I hope the minister has noted the words, "a carbon copy", since now they are proposing to turn the station over for all practical purposes to the American Broadcasting Company.

To meet these problems it has been necessary, we believe—

Will the minister note this particularly.

—to build a company in which each shareholder has a specific duty in management and in which each member of the management group has a definite responsibility and a particular contribution to make.

In other words, this was a package and the whole package had been very carefully put together to be the best broadcasting station in Canada.

This we have tried to do. We have no investors in the sense that there is absentee ownership.

That was one of the great things, "no investors in the sense that there is absentee ownership". Then he goes on to talk about the importance of the local character of the company and so on. As found on page 430, he said:

In order to achieve these objectives we believed that it was necessary to try to build a company where those responsible for management and direction would have an intimate and lively knowledge of the local conditions in Toronto...

Such, of course, as would obviously be possessed by the American Broadcasting Company. Then he goes on:

I am sure the members of the board have noted in our original brief that 51 per cent of the voting stock of Baton Aldred Rogers is controlled by the Toronto *Telegram*, although our financial participation in the profits which may be derived from this operation is limited to 40 per cent. In this way control of the company is vested with the *Telegram*, and I may say to the board this organization was done deliberately because it was our belief that responsibility and control go hand in hand.

I must say that that particular point made by Mr. Bassett seems to have been clearly emphasized by some of the events that have taken place since, and if the minister wants any confirmation perhaps he might like to consult Mr. Aldred or some of the other people now being pushed out. Mr. Bassett went on to say on the next page:

...therefore, through mutual agreement among all the shareholders of Baton Aldred Rogers it has been decided to vest control with the *Telegram* as we believe this institution has developed over the years a recognized concept of Canadian public service. It is our belief that through this concept, plus the extra invaluable assistance that the newspaper can give us in designing our seven daily news broadcasts, we have followed the proper course and one which is designed to ensure both the ultimate success of the station and the development of television in Toronto on the broadest possible Canadian base.

Then, on page 432 he said:

The president of the company—

Who is no longer going to be there under this new set-up.

—Mr. Aldred, has a wealth of practical experience in all phases of broadcasting and he, of course, will devote his entire working time to Baton Aldred Rogers.

Then he has something to say about Mr. Foster Hewitt, Mr. Ted Rogers, Mr. Nathanson and Mr. Purdy, the program director who is no longer program director. Then he goes on to point out how important to the whole scheme of this station Mr. Aldred and Mr. Purdy are. He says:

For this reason it is essential, we believe, that programming plans are completed on a sound basis before the station ever goes on the air. This Mr. Aldred and Mr. Purdy have done, and it is our belief that largely through their efforts we will be able to hold a great proportion of the new audience who are awaiting the advent of channel 9 in the Toronto area.

Mr. Bassett only took nine months or even less, actually about six months, to change his mind apparently about the merits of these gentlemen. Then he goes on to point out what a great job the station is going to do in the French language. I am not going to say anything about that. Perhaps it would be just as well not to, but I draw attention to this paragraph on page 435:

I have covered these points, Mr. Chairman, ladies and gentlemen, to try and indicate that every shareholder of Baton Aldred Rogers and every member of our management group, as well as our board of directors, have been chosen specifically because of some particular talent and experience that we believe is essential for the development of a successful television station in Toronto.

Now they are going to be replaced, except Mr. Bassett, by the American Broadcasting Company. Then he goes on:

We recognize that there is certainly no place in Canada where a more competitive situation exists and, if this station is to be successful, not only commercially but as a means of developing among Canadian viewers an appreciation

of Canadian talent, Canadian programs and a greater understanding of Canadian events and the effect those events have on their own lives, then those who are charged with the responsibility of station management and development, we believe, must also be directly and personally concerned through ownership.

That ownership is now to be transferred to the American Broadcasting Company. Then there is a lot more in the same vein, quite a good deal of it in French, and then Mr. Bassett goes on to sum up and says, as found on page 440:

...the character of our company, we believe, is completely Canadian and essentially local.

Essentially local. The American Broadcasting Company.

I do not mean "local" in a narrow parochial sense.

Evidently not.

Indeed our program director, Mr. Purdy, as I have told you, has had a very broad experience in this field here, in the United Kingdom and in the United States.

Now he is apparently going to have more experience somewhere else.

Mr. Aldred, our president, is perhaps one of the best known men in television in North America.

He is also going to be one of the best known somewhere else than in Toronto.

But I do mean that this is a group of Toronto men who believe that a Toronto television station can only be successful in every sense of the word if those charged with the responsibility of management are extremely sensitive to the needs—

I do not think the board thought at that time that Mr. Bassett meant financial needs.

—the wishes and the aspirations of the viewing audience within our own area here.

Anything that could be more of a travesty than that in the face of the application which the board has now decided to grant, unless some philanthropic Canadian comes along to subsidize Mr. Bassett and leave him with 51 per cent control, it would be pretty hard to find. Then, listen to this:

We believe that the responsibility of management must be completely interwoven with the responsibility of ownership.

Does he still believe that? If he does, that means that the American Broadcasting Company is going to have a pretty big say in management. I repeat:

We believe that the responsibility of management must be completely interwoven with the responsibility of ownership so that the success or otherwise of this station will be reflected directly by the ability and effort of the individuals who hold these positions. Within our group of ownership and management we have built a team—

I stress that word, sir, "a team".

—thoroughly experienced and trained in the whole field of mass communications as represented by newspapers, films, radio and television. This has been done deliberately because it is our belief that only this kind of team—

I stress that, only this kind of team, and not one word about the American Broadcasting Company or Paramount Theatres.

—working together with a common interest in the public good, can ensure the ultimate success of this new television station.

I felt, then, that was really all I intended to read until I turned to page 513. Then, I did feel I should read the beginning of page 513 because, in a way, perhaps it is rather prophetic. I quote:

Mr. Bassett: Yes, Mr. Haig. You can conclude that. We have gone a good deal along the way, as you can see, by establishing a nucleus—

Then, in brackets and in capital letters I find this:

(All lights in building go out and the answer given by Mr. Bassett was not recorded).

Well, Mr. Bassett was not satisfied with just putting the lights out. He appeared again the next day and, in reply and in a very condescending fashion indeed, he congratulated all the other applicants on the applications that they had made. One could make some comment on that, but I think it will be in everyone's mind so I will refrain from making it.

Then he said this, as reported at page 986:

We believe that the most important part of the character of Baton Aldred Rogers Broadcasting Limited is that all its shareholders have a direct responsibility in management, and that these shareholders, all Torontonians, came together deliberately because it was our belief that we had a specific contribution to make to the success of television in the Toronto area. The shareholders are all interwoven into management, and in this sense they have direct responsibility and there are no such things as absentee shareholders.

It almost looks as though Mr. Bassett was anticipating something and trying to guard against it even then. I continue the quotation:

Each of our directors has proven business and professional experience. We believe that this station, to be successful in such a competitive market, that executive ability and experience are required in addition to the direct experience of the creating and performing arts. Our board of directors, with every shareholder represented on it, and participating daily in the operation of this station, does have those requirements.

Then, a little later on, on the same page, I find this:

In our main presentation we dealt at length with the financial aspect of our proposed station. I don't wish to go into it again. I just wish to make the one observation. That after providing for our pre-operating losses and for what we think to be an adequate operating capital, we have provided for a cash contingency of $1 million to meet some of the difficulties which all the applicants have spoken about in the early days of operation...

We have provided that there will be no repayment to shareholders at all in the first five years of our operation. We have provided for this financing from our own shareholders and without setting up through this company any bank loans.

In other words, Mr. Bassett certainly gave the board every reason to feel that the financial basis of this company, the financial basis of this operation, was quite adequate. I am sure that the board, notwithstanding the pressures which one cannot help but feel were upon the board and about which I have had something to say on other occasions, would not have granted this licence if they had believed that six months later Mr. Bassett would be back telling them he was in financial difficulties, and telling them that this closely interwoven group that was going to make this the best Canadian television station had disintegrated for reasons which we do not know; that these great and talented Canadians no longer seemed to have the talent required and that in order to rescue this financially precarious operation the American Broadcasting Company would have to be brought in.

It is apparently true that the hearings were in private and all one can learn about what really went on is from reading what Mr. Bassett calls the competitive press in Toronto. I must say that after reading the different articles in the different Toronto newspapers one gets rather different views of what the real situation is. It does seem to me in the circumstances to be rather extraordinary, in view of the assurances given the board, that this hearing should have been held in private at all. What is more extraordinary than that is that the board would consider for one minute permitting this minority stock ownership to be transferred to these United States interests. If there was one thing that was made clearer than any other on both sides of the house, and by no one more eloquently than the present minister, it was that the whole purpose of public participation in broadcasting, public control and regulation of broadcasting, was to keep it Canadian. No one thinks that the American Broadcasting Company and Paramount Theatres are a group of philanthropists. If they are going into this operation, they are going into it to make money, and not just to make money out of the televising of their programs. No doubt, they hope to make money by selling their product to the station. It may well be that from a purely technical standpoint, they will have a better product to offer than the one made at home. But to have the home made product is the reason we have any public broadcasting in Canada at all.

It is precisely because we were afraid the whole market would have been taken by United States interests if there had not been public participation, that we have this public participation. I have never heard any Canadian who was not a socialist defend it on any other grounds. I have never defended it on any other grounds. I think it would be far better, if we could have the assurance that the broadcasting would be Canadian, to have entirely private broadcasting. But regardless of party most of us in this country, from the days of the Aird report and the days when Mr. Bennett brought in the legislation to establish the radio commission and the days when Mr. Howe introduced the C.B.C., have felt that the only way we could have control over broadcasting in this country was to have public participation in it and pretty rigid public control. It is for this reason we have this participation and this control which, though it has varied a good deal in detail to meet new conditions, has been fundamentally the same ever since the parliament of this country enacted the first legislation in the early thirties.

I say, sir, that we recall only a few short months ago in 1960 when these applications were heard that there were nine applicants for the T.V. station in Toronto. Three of these applicants were closely associated with and almost indistinguishable from the three newspapers. I have said on several occasions that I thought the board should have rejected these applications out of hand from all three newspapers on the ground that where it was possible to have equally good operations unconnected with newspapers, that was to be preferred. I have also said that there are many places in Canada, and I could document these at length but I am not going to do so now, where there is no one except a newspaper or its publisher willing to risk money in the television field. Where that situation arises, people should not be denied television nor should the taxpayers be forced to build a station just because that condition exists.

However, this was not the condition in Toronto. There were six other applications and the board described the applications as all of excellent quality. There were six other applicants who could have been considered if these three applicants had been, as I maintain they should have been in the light of the debates that took place in parliament when the board of broadcast governors was set up, thrown out before the hearings were even held. Only the other six should have been considered. I am seeking, sir, not to go into the realm of rumour and speculation to which reference has been made or to refer to the exchange I had with the chairman of the board of broadcast governors in the special committee.

However this company may have obtained this licence in the first place, the fact is that it obtained it; and surely it should be expected either to live up to the terms under which it obtained that licence or to lose the licence and not to have a United

States company brought to the rescue. My suggestion is this, Mr. Chairman: If they cannot get suitable Canadian participants by the deadline on Monday I suggest that, far from approving this proposal, what the board should do is to call for new applications for that station and to apply to that station the provisions of the Canadian Broadcasting Act as it was prior to the recent broadcasting legislation which was put into effect and to say that the new applicant would be obliged to reimburse the existing owners for all their out-of-pocket expenditures properly depreciated so that they would not be robbed in any way.

However, here they have been given a piece of the public domain on representations—some of which I read—which they have clearly not lived up to and now it is proposed to allow a United States company—and I may say, a very reputable company—to come in and rescue them financially. We even read that it is far more than the stock that is being bought and that this company is also paying off their debts. I do not believe there are many Canadians who think for one minute that a company is going to do that sort of thing in order to have a minority interest as an investment in an outfit which claimed to be financially solvent when it made its application and which six months after going into operation has to be rescued financially in this way.

I say that this is a scandalous proposal made by the board of broadcast governors and that if they persist in this proposal Her Majesty's ministers should not entertain their recommendation for one instant as it would be utterly contrary to everything that they have professed to believe in, or everything that was professed by the minister when he introduced the legislation in 1958, and contrary to all the principles on which all of us have believed public broadcasting stood in this country.

I say that there might be another solution of this matter. There were these other six applicants. It might be that Mr. Bassett could now be satisfied with a minority interest and that one of these other applicants could take over a majority or controlling interest.

The Deputy Chairman: Order. I dislike interrupting the hon. member but I must advise him that his time has expired.

Some hon. Members: Go ahead.

The Deputy Chairman: Would the committee give unanimous consent to permitting the hon. member to continue?

Mr. McGrath: How much more time would the hon. member require?

Mr. Pickersgill: I would find it impossible to give an estimate. If there is not unanimous consent—something which, incidentally, we gave to have these estimates continued—I will take my seat.

Mr. Jones: I think the question is a legitimate one. It is a quarter to six now and there might be a chance to reply. I think the hon. member is entitled to an answer to that question.

Mr. Pickersgill: There either is or is not unanimous consent. If there is unanimous consent, I will continue. If there is not unanimous consent, I will take my seat.

The Deputy Chairman: I thought I had unanimous consent until the question was asked. The question was not asked to protest against the continuation but rather to inquire how much more time would be consumed. This is something that the hon. member could not predict. However, in my opinion, he has the unanimous consent of the committee and he has the floor.

Mr. Pickersgill: Thank you, Mr. Chairman. I was saying that there might be another solution of this problem. In view of all the circumstances I would not think that there would be any great likelihood of any new applicant arising apart from those who made applications in 1960. Knowing a little bit of subsequent history, I doubt that one of those applicants would be very apt to apply or, if he did so, that he would be very apt to qualify inasmuch as that gentleman has since gone to the United States, I believe, and has sought to accelerate his acceptance as a United States citizen. But let us consider certain other applicants.

There is one very distinguished applicant who is not a political friend of mine. At least he was closely associated with one of the applications. I refer to Mr. Sedgwick. Mr. Sedgwick and his family have had a long experience in the broadcasting business. As I say, while I do not share his political views, I have a good deal of respect for his capacities in many directions. I cannot imagine Mr. Sedgwick or his associates coming along for one minute and accepting this suggestion of the B.B.G. that they should accept a minority interest in the station, with Mr. John Bassett, who has already fired all his previous associates, standing there with a club ready to club him. I would not think that any Canadian applicant would come in under those terms. However, I suggest that those are not the only terms.

I suggest that this is an applicant who has failed to carry out his undertaking, and who has made a mess of this thing financially. I am not saying anything about its programs.

I do not know anything about them. I do not happen to live in Toronto. To the best of my knowledge, I have never seen any of its broadcasts. They may be just as good as the B.B.G. said they were. I hope they are. But what I am saying is that they appear to have made a financial mess of this venture. I think they were quite right in saying that it would be a tough problem to run a private television station in this highly competitive market. However, because they have shown that they are not competent to do it effectively, I say that is no reason why, because some Canadian is not, for a minority interest, ready to come in and bail them out, we should allow Americans to do it, particularly the American Broadcasting Company.

One cannot help but feel that this is a back-door method of establishing what in effect is bound increasingly to become merely another affiliate, perhaps with a little arrangement here and there to meet the exigencies of the laws and regulations, of one of the United States chains. If that is what we had wanted for our private stations in Canada, we would not need to be spending any money on the board of broadcast governors or on the C.B.C.

I say that this proposition is something that should simply be rejected. I think it should have been rejected out of hand by the board of broadcast governors. I cannot understand what possible defence there can be for their decision. I do not expect the minister to defend their decision. The minister has pointed out over and over again that he does not seek to influence their decisions. However, that does not exempt them from the criticism of this parliament to which they are responsible. It does not, of course, remove from us our right to criticize their conduct in this particular, as I am doing now.

The board of broadcast governors, of course, cannot make the final decision about this matter. All they can do is to make a recommendation. The final decision must be made by the governor in council. Hence the government itself cannot escape its responsibility in this matter and it should not seek to do so. It seems to me that we in this parliament should now indicate our views about this transaction so that the board of broadcast governors may be aware of them, in the hope that some different solution to this problem may be found.

The Deputy Chairman: Shall vote 42 carry?

Mr. Robichaud: Before this vote carries, Mr. Chairman, possibly the minister could give the information which was asked for and which he said he would give me at a later date, when I asked him a question about the application of the Rimouski station for the

erection of a satellite station to serve Madawaska and Victoria counties in New Brunswick.

I understand that the board of broadcast governors has approved the application, which was heard on February 24 of this year. That is almost seven months ago. The population of Madawaska and Victoria are still awaiting the service for which they have been asking for many months. I understand that the reason for the delay is that the Department of Transport has not granted the licence which has been approved by the board of broadcast governors. I wonder whether the minister would comment on this application.

Mr. Nowlan: Mr. Chairman, the facts of this situation are that the order in council has been passed and it has been published. That was done several days ago. I have forgotten the exact date.

I did not deal with the arguments of the hon. member for Bonavista-Twillingate because, frankly, I doubt whether they are in order and I do not propose to become involved in a discussion about something which the board has considered and has adjourned to a future date.

If and when decisions are brought down and action is taken I think that would be the proper time to deal with the matter, but I do not think I should comment on it at the moment. In my opinion, as far as I am concerned this matter is *sub judice* and is something upon which I should not comment at all.

I do not want to be taken as agreeing with many of the statements which have been made, despite the fact that they attracted the hilarity of representatives of certain newspapers which apparently appreciated them. I must say it is the greatest tribute that could be paid to the board of broadcast governors—I am not assuming, but I am hoping this is the conclusion of this debate—that after a year of strenuous activity in which they have had so much responsibility, criticism has centred on this one situation, which is something that has not yet been finalized.

Mr. Pickersgill: Mr. Chairman, I think perhaps the minister would have been wiser not to have offered the temptation which he offered in his last sentence or two, because I have a whole file of things, some of which I raised at the committee, that I would like to say about the work of the board of broadcast governors. However, I recognize that there will be plenty of time to do this in another session, which I hope will not be the longest session in the history of the Canadian parliament since confederation.

Mr. Nowlan: You will make this a shorter one if we can get through this item.

Mr. Pickersgill: I advise the minister that if he wants to get through this item he should listen to what I am saying. I was saying, when my sentence was cut in two by the minister's intervention, that I deliberately did not intend to mention any other matter because it did not seem to me there was any other matter that was so urgent that it could not be considered at what I feel would be a more opportune time.

However, I did feel that this matter, since apparently it is going to be settled on Monday next, is so urgent that any opposition member of this house, and indeed any hon. member of this house feeling as I do, would have been derelict in his duty not to see that it was aired. I also agree with the minister, that in the position in which he finds himself, as a member of the cabinet which will sooner or later have to reach a final determination about the matter—which, as he properly says, is not yet final—he has taken the right course in making no comment upon my observations.

I must say that I was rather encouraged the other day, and I noticed the *Telegram* was correspondingly discouraged, when the minister suggested that when I in very brief form expressed the same sentiments I was probably expressing sentiments widely held throughout the house.

I am not going to seek a denial or anything else from the minister, but I should like to go on believing that the views I have expressed are not very different from the real views of the Minister of National Revenue.

Item agreed to.

CANADIAN BROADCASTING CORPORATION

43. Grant in respect of the net operating requirements of the radio and television services, $70,418,000.

Mr. Pickersgill: Mr. Chairman, I assume from the indications which have been given to the house by the Minister of Veterans Affairs in his capacity of house leader that no one has any intention at this session of arranging for a debate on the report of the committee on broadcasting. I fervently hope that my interpretation of the views of the house leader is a correct one.

Mr. Nowlan: I would hope so.

Mr. Pickersgill: I simply wanted to say, so that it would be on the record, and I think I can probably do it between now and six o'clock, that speaking not just for myself but for the Liberal party, I dissent and we dissent from the recommendation made with respect to the proposed recomposition of the board of directors of the C.B.C., and particularly to the recommendation that no executive officer or other employee of the corporation shall be a director of the corporation. The reasons for this dissent will be very plain from the debates of 1958, and our position in this regard has been strengthened rather than weakened by the experience since.

I felt it was desirable to say this because I do hope that if the government should decide between now and the next session to bring in any legislation to amend the Broadcasting Act, they will not bring in legislation which will create a board of political appointees solely and exclude from that board the officers of long experience who are now, respectively, the president and the vice president of the corporation.

Mr. McGrath: Mr. Chairman, where was the hon. member when the report was written?

Mr. Pickersgill: Mr. Chairman, I am very glad the hon. member for St. John's East asked that question.

An hon. Member: Six o'clock.

Mr. Pickersgill: When the report was written the hon. member who is now speaking was in his place in this house, which was sitting at the same time as the committee was meeting, as has happened over and over in this longest of all sessions because of the shocking mismanagement of the business of the house by the government.

The Deputy Chairman: Shall vote 43 carry?

Mr. Benidickson: I see the clock, Mr. Chairman. Of course, we are all so pleased that the minister is in such good health again. I am only going to say that he knows I have had a long-standing interest with respect to the possibility of the C.B.C. doing something for Atikokan, Fort Frances, the Red lake area and some other parts of that very large riding which I represent. I do not expect a reply from the minister tonight. I would simply ask him, in view of his ability to be back on the job, to look at this matter again and perhaps advise me and my constituents about it.

The Deputy Chairman: Shall vote 43 carry?

Mr. Pickersgill: Mr. Chairman, before this vote carries I should just like to say one word. I am not going to oppose the carrying of the vote right now. However, I would like to make it very clear that there are two considerations in the minds of the opposition in agreeing to the carrying of this vote. One is a proper human concern for the Minister of National Revenue, for whom we have great respect. I do not say that in any patronizing way at all; we realize that the minister is carrying a very heavy load—

Mr. Benidickson: Hear, hear.

Mr. Pickersgill: —under considerable difficulties. The second reason is that the session has already been so prolonged. But we do hope that in taking this position—and I am speaking here, I think, for hon. members on both sides of the house—we will not read in half the newspapers in the country tomorrow that, notwithstanding the shocking increase in the cost of the C.B.C., parliament dealt with the item in 10 minutes. After all, we did not deal with it in ten minutes; we spent many days on it in the special committee. Even the Ottawa *Journal* said editorially the other day that we ought to give the C.B.C. a rest because parliament had spent so much time dealing with its affairs.

Item agreed to.

Mr. Nowlan: At the conclusion of these items, Mr. Chairman, I wish to express my appreciation to the committee and make it plain that I hope it is not out of consideration for myself that their scrutiny has been expedited, because the minister could sit here tomorrow and deal with these matters. However, I thought if we got through with them tonight we might facilitate business tomorrow.

Resolutions adopted in committee of supply this day reported and concurred in.

BUSINESS OF THE HOUSE

Mr. Chevrier: Mr. Speaker, I take it we will be sitting tomorrow. In view of that I would ask the house leader to tell us what business we will take tomorrow. Perhaps he will also indicate what we will be doing next week.

Mr. Churchill: Mr. Speaker, I thank the house for the commendable progress it made today. We will take the estimates of privy council first tomorrow followed by those of veterans affairs and those under the heading of legislation. There are some additional supplementary estimates which we shall endeavour to clear away. If time permits and the house is willing we might take the estimates of the Department of Finance.

Tomorrow I shall be better able to forecast the completion of the business of this session and make a good guess about the termination, with the assistance of the opposition.

Mr. Chevrier: May I direct the minister's attention to the fact that on my list there are several small items such as insurance and Auditor General which must be dealt with.

Mr. Churchill: I do not wish to hurry the house but those could be taken tomorrow. They normally are taken following the estimates of the Department of Finance.

Mr. Chevrier: I would hope that we could dispose of all these smaller items with the exception of finance. If the minister calls finance tomorrow there will be a general debate. Could we leave that until next week?

Mr. Churchill: I take it that these other items might be called in advance of the Department of Finance.

Mr. Pickersgill: They are not under the heading "Finance" in the book.

Mr. Churchill: No, but they are normally dealt with following the estimates of finance. We could call Auditor General, atomic energy, national research, insurance and governor general which follows privy council. The intention for tomorrow would be to complete the items I mentioned with the possible exception of the Department of Finance. I am not pressing the matter at all.

It being 6.06 p.m., the house adjourned, without question put, pursuant to standing order.

ANSWERS TO QUESTIONS

The following answers, deposited with the Clerk of the house, are printed in the official report of debates pursuant to standing order 39:

CIVILIAN PAY RATES, R.C.A.F. BASES AND MILITARY COLLEGES

Question No. 290—**Mr. Dupuis:**

1. What is the hourly rate of pay for persons holding one of the following positions; cook, assistant cook, waitress, truck driver, labourer, and not being employed in the civil service: (a) at the Royal Canadian Air Force bases of St. Jean, Quebec; North Bay, Ontario, Ottawa, Ontario; St. Hubert, Quebec; Comox, British Columbia; (b) at the Royal military colleges of St. Jean, Quebec; Royal Roads, British Columbia; Kingston, Ontario?

2. Are the above named employees in some of these places paid a higher hourly rate for overtime work performed on Saturdays and Sundays? If so, at what places, and what rates are being paid at such places?

Answer by: **Hon. Pierre Sevigny (Associate Minister of National Defence):**

1.

Location	Cooks	Assistants	Food service attendants	Truck drivers	Labourers
	$	$	$	$	$
St. Jean, P.Q.	1.42	1.14	0.87	1.50	1.40
North Bay, Ont.	1.50	1.25	0.93	1.40	1.30
Ottawa, Ont.	1.81	(1) 1.71 (2) 1.32	0.99	1.57	1.51
St. Hubert, P.Q.	1.64	(1) 1.56 (2) 1.25 (3) 1.10	0.95	1.70	1.65
Comox, B.C.	1.60	(1) 1.50 (2) 1.25	1.00	1.80	1.75
C.M.R. St. Jean, P.Q.	1.42	1.14	0.87	1.50	1.40
Royal Roads Victoria, B.C.	1.70	1.48	1.05	2.07	1.87
R.M.C. Kingston, Ont.	1.36	1.15	0.90	1.47	1.42

2. Compensation is based on the above rates of pay in effect at each location.

INCOME TAX POLICY ON HIDDEN RESERVES, CHARTERED BANKS

Question No. 297—**Mr. Benidickson:**

1. Does the income tax office inquire from the finance department about "inner" or "hidden" or "contingency" reserves of the chartered banks in Canada?

2. If so, what income tax policy is operative in this respect; and, in particular, what is the policy relating to income tax exemption for banks on such reserves?

Answer by: **Hon. George C. Nowlan (Minister of National Revenue):**

1. No. The Minister of Finance advises the Minister of National Revenue of the amount which, in his opinion, may be deducted from income each year under section 11(4) of the Income Tax Act or must be added to income under section 9.

2. See reply to question No. 1.

Supply—Items Passed

[The following items were passed in committee of supply]:

DEPARTMENT OF NATIONAL HEALTH AND WELFARE

Welfare branch—

Family allowances and old age security—

266. Administration, $3,341,497.

Old age and unemployment assistance,

Blind persons and disabled persons allowances—

267. Administration, $157,680.

General—

268. Grants to health and welfare and related organizations, as detailed in the estimates, $262,750.

269. Emergency health, welfare and training services, $8,004,165.

DEPARTMENT OF NATIONAL REVENUE

Customs and excise divisions—

272. General administration, $5,278,399.

273. Inspection, investigation and audit services, $4,758,675.

Ports—

274. Operation and maintenance including authority, notwithstanding the Financial Administration Act, to spend revenue received during the year from firms and individuals requiring special services, $31,524,015.

275. Construction or acquisition of buildings, works, land and equipment, $579,000.

Taxation division—

276. General administration, $3,835,900.

277. District offices, $32,527,133.

Tax appeal board—

278. Administration expenses, $130,770.

Board of broadcast governors—

42. Salaries and other expenses, $331,170.

Canadian broadcasting corporation—

43. Grant in respect of the net operating requirements of the radio and television services, $70,418,000.

44. Grant for the capital requirements, including the replacement of existing capital assets, of the radio and television services, $9,640,000.

International Broadcasting Service—

45. International broadcasting service including authority to credit to the appropriation revenue from the rental of facilities in Montreal, Sackville and Vancouver to an amount of $420,500 and to re-expend these moneys for the purposes of the international broadcasting service, $1,694,300.

APPENDIX

EXCHANGE OF CORRESPONDENCE RESPECTING TAX SHARING

OFFICE OF THE PREMIER
British Columbia

Victoria,
June 26th, 1961

Rt. Hon. John G. Diefenbaker, P.C.,
Prime Minister of Canada,
Ottawa, Canada.

Dear Sir:

Thank you for your letter of June 16, which has arrived during the absence of the Premier.

Your communication will be placed before him at the earliest opportunity for his attention.

Yours sincerely,
(Mrs.) K. R. Mylrea,
Secretary to the Premier

PREMIER'S OFFICE
Regina

September 11th, 1961

The Rt. Hon. J. G. Diefenbaker, Q.C.,
Prime Minister of Canada,
Ottawa, Ontario.

My dear Prime Minister:

In the Premier's absence, may I thank you on his behalf for your letter of August 30 and assure you that it will be brought to his attention at the earliest possible opportunity.

Yours sincerely,
Eleanor McKinnon
Secretary.

Ottawa, August 30th, 1961.

Honourable T. C. Douglas, M.A., M.L.A.,
Premier of Saskatchewan,
Regina, Saskatchewan.

My dear Premier:

I have given study to your letter requesting a further dominion-provincial conference to discuss fiscal arrangements for the period commencing April 1, 1962.

The federal proposals which were advanced in my letter of June 16 followed three dominion-provincial conferences. The substance of these proposals was presented to the dominion-provincial conference of February 23 and 24, 1961. Following this conference the proposals were discussed by officials at two meetings of the continuing committee on fiscal and economic matters, and provincial suggestions received further careful consideration by the federal government and certain concessions were made. Since we have reached the present proposed arrangements after giving the matter so much careful study, I do not believe that any useful purpose would be served by a further conference at this time.

You have raised a number of points in your letter. In my letter of June 16 I dealt at length with the issue which had been raised and the decisions which had been reached with respect to various aspects of the proposals. The Minister of Finance, in introducing the new federal-provincial fiscal arrangements bill gave a very complete statement in the House of Commons on July 11, 1961.

I believe that your differences with the federal proposals are in large part a matter of approach. In designing the proposed new arrangements the federal government placed emphasis on the constitution, on the need for the freedom and a system of equalization which would more accurately reflect fiscal need. We believe that unless the system is based on such sound principles it cannot be expected to lead to mutual respect and harmony among the partners. The great weakness of the tax rental system is that it forces the provinces to importune the federal government rather than take their financial problems to provincial taxpayers as they have every constitutional right and responsibility to do.

You state that you object to equalization based on the national average. We believe that equalization to the yields in the top two provinces or the top one, as some provinces have proposed, is impracticable if applied to anything more than a small segment of provincial revenues however appealing it may be to provinces with lower per capita tax yields. From the standpoint of fiscal need we believe that a far sounder result is attained by broadening the base to include natural resource revenue and equalizing to the national average. We included natural resource revenue because the variations in resource revenue from province to province

are more extreme than for any other provincial revenue and it would therefore improve the equalization formula more than the inclusion of any other provincial revenue source.

As to your suggestion that non-recurring natural resource revenues be excluded from the formula, the reasons for the decision in this request were outlined in my letter of June 19.

You refer again to the proposal of some of the premiers that equalization on the basis of the present standard rates should be continued and the provinces should also receive the benefit of the increased federal withdrawal proposed at the February conference. I should like to quote from my letter of June 19 as to why we were unable to accept this suggestion:

"Some provinces have asked whether the federal government would be prepared to extend the guarantees offered under the federal proposals. One suggestion was that there should be an additional guarantee that no province would receive less in equalization under the new proposals than it would have received under a projection of the equalization component of the present arrangements. Another suggestion was that what was referred to in my statement to the conference as the (a) guarantee should be extended to provinces above the national average. Under the proposals as presented by the federal government, the provinces will receive the benefit of substantially increased tax room in addition to equalization and the equalization guarantees. The federal withdrawal from the personal income tax is to be raised to 20 per cent by the end of the period compared with the standard rate of 13 per cent for the present year. Having in mind its heavy responsibilities, the federal government cannot provide additional equalization guarantees of the type mentioned above while at the same time offering substantially increased tax room to the provinces."

You state that the suggestion that the Atlantic provinces adjustment grant should stand as a separate feature of the tax-sharing arrangements was rejected. These grants were introduced as a separate feature of the fiscal arrangements with the provinces and remain so under the proposed arrangements. The Atlantic provinces adjustment grants of $35 million will be paid separately and the whole increase of $10 million will be reflected in increased Atlantic provinces adjustment grants. These payments will be separate and distinct from the payments which the Atlantic provinces will receive under the basic equalization formula to bring their per capita return from the standard taxes and 50 per cent of natural resource revenue up to the national average. In addition to the basic equalization formula, a guarantee was given that the return to provinces below the national average would not be less than under the arrangements now in effect, including the Atlantic provinces adjustment grants. In fact, the Atlantic provinces will be considerably better off than under the present arrangements so that this guarantee provision is unlikely to be operative for them. The existence of the guarantee provision does not, however, change the fact that the Atlantic provinces adjustment grants remain as a separate and distinct feature of the proposed arrangements.

You contend in your letter that the federal government wishes to restrict provincial flexibility in taxation under the new arrangements. On the contrary, we wish the provinces to be as free as possible. We have undertaken to collect the provincial taxes free of charge and it seems to be not unreasonable therefore that there should be certain limitations wherever these are necessary from the standpoint of administrative feasibility and the convenience of the taxpayers.

Contrary to the implication in your letter that the federal government has been unyielding to provincial requests, I would point out that if the suggestions I made to the October conference are examined it will be realized that the federal government made substantial concessions at the February conference and that further concessions were made in my letter of June 19.

In summary, we have attempted to achieve a system of fiscal arrangements with the provinces which will be sound and equitable and in which there will be the fullest cooperation between the federal government and the provinces. I believe that our proposals will make this possible.

Yours sincerely,
John G. Diefenbaker.

PREMIER'S OFFICE
Regina

June 30th, 1961.

The Rt. Hon. J. G. Diefenbaker, Q.C.,
Prime Minister of Canada,
Ottawa, Ontario.

My dear Prime Minister:

My colleagues and I have now had an opportunity to study your letter of June 16 regarding federal-provincial tax-sharing arrangements for the period 1962-67. We regret to find that, except for two very minor points, the federal government's position is completely unchanged from that originally advanced at our conference last February. All

the representations made by the provinces, both at the conference and in subsequent discussion by the officials' committee, appear to have been wholly disregarded.

As I said at the conference, our main criticism of the new proposals is that they abandon the principle of equalization, and replace it with "averagization". Under the existing agreement the income tax revenues of all the provinces are equalized to the level of returns in the two richest provinces. Your letter makes clear that the federal government still feels that this reasonable yardstick should now be scrapped, and replaced by the much less equitable measure of the national average tax yield. While it may be true that the provinces may now increase their own income taxes, this is surely not a reasonable substitute for equalization. In fact, my officials calculate that, based on current Department of Finance estimates of tax yield, if the provinces of Newfoundland, Saskatchewan and Ontario each required an increase of $10 per capita in revenue, under the proposed new system the personal income tax rates in Newfoundland would have to be raised by 28 per cent, in Saskatchewan by 15 per cent and in Ontario by only 7 per cent.

At our February conference it was suggested by the federal government that equalization had been discarded and natural resource revenue added to give a better measure of fiscal need. While I think separate cases can be made for both equalization and fiscal need, I still fail to see how the inclusion of only one source of provincial revenue, and that a highly fluctuating one, can possibly provide an accurate indication of provincial fiscal need. If such need is to be regarded as a major factor, it is obviously necessary to include all sources of provincial revenue in the formula. The choice of the particular resources item alone clearly works to the disadvantage of certain provinces.

While most provinces disagreed with the new proposals, we did make a number of suggestions for improvement. Premier Lesage suggested that equalization payments under the new arrangements should be maintained at levels at least equal to those which would have prevailed had current arrangements been continued. This would make meaningful to provinces like Saskatchewan the "substantially increased tax room" held out by the federal government as an advantage of the new approach. The rejection of this suggestion means that an increase in the federal withdrawal from the personal income tax field from 13 to 20 per cent is purely illusory as far as Saskatchewan is concerned and probably also as far as Quebec and Manitoba are concerned. In each case any gain from increased tax room is subtracted from the guarantee payment.

Furthermore, you also indicate a rejection of the suggestion made by several provinces that the Atlantic provinces adjustment grants should stand as a separate feature of the tax-sharing arrangements and should not be included when calculating the minimum payments that are guaranteed to the provinces. This means that the Atlantic provinces will not get the full benefit of the $10 million increase promised but instead will receive only a part of that amount. The inclusion of the special adjustment grants as an integral feature of the new arrangements serves only to disguise the fact that the application of the new "national average" formula substantially reduces the amounts payable to the Atlantic provinces below the levels provided for under the existing equalization standard.

Finally, the federal government has rejected the suggestions made by Premier Manning and myself that non-recurring natural resource revenues should be excluded from the calculation of equalization payments. This suggestion was not made because the change would be of any financial benefit to our two provinces, but rather because the inclusion of such revenues could result in a great deal of instability in the payments to all provinces. The base used in the illustration given to us last February included the peak years of the oil boom. In the last two years, the years which will influence the actual payments under the new proposals, these non-recurring resource revenues have declined. This means that the so-called equalization payments will be less than the illustrative figures suggested. I urge you to consider again whether the interests of all the provinces would not better be served by the exclusion of non-recurring resource revenues from the calculation of equalization payments and a compensating adjustment provided for by a slight further federal withdrawal from the individual income tax field.

Not only have these provincial suggestions been rejected, but your letter also indicates that the federal government now wishes to restrict the very flexibility in provincial taxation so strongly emphasized both by yourself and the Minister of Finance last February. The only condition attached to tax collection agreements at that time was "that the province under its laws define the tax base, i.e., taxable income, to be identical at all times with the federal definition". Your letter now states that even if this condition is fully observed, the federal government will only collect provincial taxes on the further condition that they are expressed as a percentage

of the federal rate. Even this would be acceptable if the provinces had certain safeguards: for example, if we were notified in advance of changes in the federal tax rate so our own rates could be adjusted, or should this be impossible, if the provinces were compensated for any changes in federal rates. However, provincial receipts will change with every federal tax change and our percentage rates once fixed "must be constant throughout the year". On the other hand, the federal government reserves the right to change its rates whenever necessary. The instability and uncertainty thus introduced into the annual budgets and budget procedures of the provinces is self evident.

For all of these reasons my colleagues and I feel that a further discussion of the proposals reiterated in your letter of June 16 is vitally necessary. I would urge that you follow the precedent established in 1956 and call a final conference immediately. To do otherwise would be a departure from the flexible and considerate attitude you have espoused in the past.

Yours sincerely,

T. C. Douglas.

PREMIER'S OFFICE

Regina, June 19th, 1961.

The Rt. Hon. J. G. Diefenbaker, Q.C.,
Prime Minister of Canada,
Ottawa, Ontario.

My dear Prime Minister:

Thank you very much for your letter of June 16 telling me of the federal government's decisions regarding a number of points which have been raised in connection with the proposals you placed before the dominion-provincial conference of February last.

My colleagues and I will study the effects of these proposals and I shall be glad to write you further once we have had an opportunity of doing so.

Yours sincerely,

T. C. Douglas.

Ottawa, June 1, 1961.

My dear Premier:

Your letter of the 30th of May was received today and I am immediately bringing the contents to the attention of the Minister of Finance and will let you have a further reply as soon as possible.

I am,

Yours sincerely,

John G. Diefenbaker.

Honourable T. C. Douglas, M.L.A., LL.D.,
Premier of Saskatchewan,
Regina, Saskatchewan.

PREMIER'S OFFICE

Regina, May 30th, 1961.

The Rt. Hon. J. G. Diefenbaker, Q.C.,
Prime Minister of Canada,
Ottawa, Ontario.

My dear Prime Minister:

At our February conference you outlined the federal government's proposal for new federal-provincial tax-sharing arrangements. The proposal would require each province to decide whether to collect its own personal and corporate income taxes or sign a collection agreement with the federal government, and even if tax collection agreements are signed, the province must decide on the tax rates it will levy in 1962. I understand that in order to minimize the confusion and inconvenience of a change-over from tax rental to tax collection agreements the provinces may be expected to decide on their 1962 tax rates by September, 1961.

Before this decision can be made, however, it will be necessary to conclude our negotiations on the new proposals. A number of suggestions were made at the conference which you undertook to consider, and your decision on these as well as the answers to a number of questions raised at the continuing committee of officials must necesarily precede our decision on tax collections and rates.

Saskatchewan, and I am sure a number of other provinces, would appreciate an early letter outlining the details of your February proposal.

Yours sincerely,

T. C. Douglas.

Ottawa,

September 8th, 1961.

Honourable Duff Roblin, M.L.A.,
Premier of Manitoba,
Winnipeg, Manitoba.

My dear Premier:

Thank you for your letter of August 23 referring to the prospective federal-provincial fiscal arrangements for the period commencing April 1, 1962.

I am glad to have your view that the arrangements which have been proposed for the new period commencing April 1, 1962, are a decided improvement over the agreement of 1957 and represent an improvement even over the 1958 amendment of the agreement which raised the provincial share of personal income tax from 10 to 13 per cent. You add that you would still propose that equalization be based on a per capita yield of revenues in the province with the highest

yield rather than on the national average yield per capita. I should like to point out that a comparison of two systems of equalization can be made only by taking account of the coverage of the revenue sources to be equalized as well as the level to which these revenue sources are to be equalized. The proposed new formula for equalization to the national average per capita yield is based not only on the yield of the standard taxes, but includes as well 50 per cent of natural resource revenue, the provincial revenue which exhibits the most extreme variation from province to province. The federal government is convinced that this more broadly based equalization formula gives much more equitable results by ensuring that the distribution of equalization payments will be more in accordance with fiscal need, and is quite superior to the more narrowly based formula now in use which takes account only of the variation in yield from the standard taxes.

You list also 11 other items as "Manitoba proposals ancillary to main tax-sharing submissions" and suggest the usefulness of further negotiations with respect to these matters, but I think you will agree that further discussion of which can remain in abeyance for the first concern should be to proceed with the implementation of the main tax-sharing arrangements as you indicate in your letter you plan to do.

Yours sincerely,
John G. Diefenbaker.

PROVINCE OF MANITOBA

OFFICE OF THE PREMIER
Winnipeg

August 23rd, 1961.

The Rt. Hon. John G. Diefenbaker, P.C., Q.C., M.P.
Prime Minister of Canada,
East Block,
Ottawa 4, Ontario.

My dear Prime Minister:

I have received your letter of June 17 announcing the policy of the government of Canada in respect of federal-provincial fiscal arrangements for the period commencing April 1, 1962, as well as Bill C-122 by which you give legislative expression to that policy. I also acknowledge receipt of a copy of your letter of August 4 to the premier of Quebec informing him of your view that no good purpose would be served by a further federal-provincial conference at this time. May I record the fact that Manitoba would be pleased indeed to attend any further conference that might be decided upon.

It must be acknowledged that there are aspects of your announcement which represent a decided improvement over the federal-provincial agreement of 1957, and indeed it is estimated that Manitoba will likely benefit financially at least to some extent during the course of the new arrangements even after the amendments of 1958 are taken into account. Nevertheless, I must again draw your attention to the fact that Manitoba is not to receive under the new proposals that proportion of the shared tax fields for which we believe we have made a convincing and logical case. Further, I must refer particularly to that portion of the equalization formula based on Canadian average yields. Manitoba reaffirms its proposal to equalize to the highest Canadian province and we shall continue to work for its implementation. This we regard as more in keeping with the basic principles on which these arrangements have been founded.

Under present circumstances, however, there is no alternative but to take the steps necessary to implement the most advantageous of the options open to us under Bill C-122 and I shall be informing you of details in this connection before long. There are, however, a number of other matters which Manitoba raised in the course of our recent conferences on which it appears final decisions have not yet been reached. I refer to various supplementary arrangements governing federal-provincial co-operation in the areas of joint interest and endeavour which are listed hereunder:

Certain Manitoba Proposals Ancillary to Main Tax-Sharing Submissions

1. Inclusion of mental and T.B. care costs in the shareable portion of the hospital services program.

2. Inclusion of administration costs in the shareable portion of the joint social welfare and health programs, including hospital insurance.

3. Inclusion of capital depreciation as shareable item under the hospital insurance program.

4. Extension of aid to provincial highway programs in order to encourage development of a north-south system in relation to the east-west trans-Canada route, particularly in relation to international connections.

5. Specific aid programs in respect of such developmental undertakings as the northern hydroelectric, mineral and timber programs. This would comprise extension of the roads

to resources program and similar undertakings relative to initial exploration and development.

6. A joint long distance power transmission program.

7. Inclusion of petroleum and natural gas in the category under natural resource taxation definitions in connection with federal tax credits with respect to corporation taxation.

8. Extension of the principles of revised municipal improvements legislation to provide necessary financial support for local social capital development.

9. The expansion of capital funds for public investment in Canada, through specific creation of investment funds for provincial and municipal projects.

10. The introduction of a tax-exempt category for debentures and other issues of provincial and municipal authorities in respect of social capital undertakings.

11. Aid to universities.

In addition to those questions specifically listed above, there are a number of special problems which have been the subject of particular attention and involve direct negotiations. As these are all matters of prime importance to the development of Canada and the province, I would strongly urge a resumption of negotiations so that we may make some advance in arriving at necessary improvements in existing arrangements.

Yours sincerely,

Duff Roblin.

Toronto, Ontario.
26th June, 1961.

The Rt. Honourable John G. Diefenbaker, P.C., Q.C.,
Prime Minister of Canada,
House of Commons,
Ottawa, Ontario.

Dear Prime Minister,

Your letter of the 16th instant is at hand and the matters to which you make reference will be given immediate study.

I understand that our officials have been closely in touch with the federal officials, and that the transition in relation to the agreements is going forward smoothly. If, however, there is any difficulty we shall be in touch with your organization at once. In the meantime, as I have stated, the letter will be given thorough consideration.

Very sincerely yours,

Leslie M. Frost.

(Translation):

OFFICE OF THE PREMIER
Province of Quebec

Quebec City,
September 7, 1961.

The Rt. Hon. John G. Diefenbaker, P.C., Q.C.,
Prime Minister of Canada,
Parliament Buildings,
Ottawa, Ont.

Dear sir:

My colleagues of the provincial cabinet and I have studied your letter of August 4 concerning the dominion-provincial tax arrangements for the period starting April 1, 1962.

You stress the fact that the federal government will, in a proportion which will reach 16 per cent next year and 1 per cent more every year thereafter, progressively abandon the personal income tax field. Without minimizing the importance of that concession, I cannot forget that the changes made to the equalization formula take away from us practically all the advantages it offered.

As for the sharing of the tax on public utility companies for power distribution, I do hope that the decision to give back to the provinces half of the federal income tax revenues will be put into practice in such a way that the provinces will truly get half of the revenues and not only one fifth as it is the case at present for the province of Quebec.

As far as university grants are concerned, we do not underestimate the necessity of providing adequately for the increasingly greater financial needs of our educational institutions, but we must protest against any infringement upon the exclusive sovereignty of the provincial legislatures in that respect. Consequently we must refuse any subordination to the federal authorities such as that implied under a system of grants paid out under its control.

You are perfectly aware of the reasons why I did not find satisfactory the proposed agreement which would have involved a special corporation income tax abasement under the authority of chapter 13 of the 1960 statute. The conditions and restrictions governing the reduction of the normal corporation income tax infringes upon provincial legislative autonomy and I will not be satisfied until it is removed.

However, I fail to understand that this attitude on my part would justify you to revert to the situation as it existed before the 1960 statute.

The basic principle allowing the province of Quebec to levy, all by herself and through the corporation income tax, an amount sufficient to pay the universities the grants they need is, in my opinion, in complete accordance with the spirit of the Canadian constitution. I feel that far from abandoning that principle, we should on the contrary do everything we can so that it be applied without any condition or restriction.

Sincerely yours,

Jean Lesage.

Saskatoon,
August 4, 1961

The Honourable Jean Lesage, P.C., M.L.A.,
Prime Minister of Quebec,
Government Buildings,
Quebec City, P.Q.

My dear Premier:

I have received your letter dated July 13, concerning the federal-provincial fiscal arrangements for the period commencing April 1, 1962.

You are no doubt aware that Bill C-122, entitled "Federal-Provincial Fiscal Arrangements Act", was introduced in the House of Commons on July 12 and is standing for second reading following the resumption of the present session in September. The features of the new fiscal arrangements and the reasons therefor were set forth in the speech of the Minister of Finance on July 11 at pages 7910-7931 of *Hansard*.

Under the new system the provinces will retain their full freedom to levy and collect whatever taxes they choose in the fields of personal income tax, corporation tax, and succession duties. Although the federal government has offered to collect the personal and corporation taxes on behalf of the provinces without any charge, you have indicated that your government is not interested in this offer and will collect the taxes it chooses to impose.

You are aware that the federal government is withdrawing to an ever greater degree from the personal income tax field in favour of the provinces. In 1956, the then federal government, of which you were a leading member, considered 10 per cent of the yield from the personal income tax to be an adequate provincial share. At the instance of the present federal government, this provincial share was raised in 1958 to 13 per cent. Under the proposed new arrangements, it will rise next year to 16 per cent and by a further 1 per cent each year thereafter until, in the final year of the 5 year period, it will aggregate 20 per cent. Thus the provincial share will be exactly double what you and your colleagues considered an adequate provincial share for the present 5 year period.

I note, also, that the further proposals of the federal government in relation to the logging profits tax and the tax on public utilities engaged in the distribution of energy commend themselves to you. The provinces will undoubtedly derive substantial additional benefits from these proposals of the federal government. Your reference to the special corporation income tax abatement under the 1960 legislation is worthy of special mention. As Quebec chose to be a prescribed province in pursuance of section 9A of the Federal-Provincial Tax-Sharing Arrangements Act for last year and this year, the federal corporation income tax payers in the province received an abatement of 1 per cent in addition to the normal 9 per cent, making a total of 10 per cent.

The provision under section 40(1) of the Income Tax Act, for an additional abatement of 1 per cent in the corporation income tax in a province prescribed by regulation under Section 9A of the Federal-Provincial Tax-Sharing Arrangements Act was given a 2 year duration and automatically terminates at the end of the present year. At the time of the dominion-provincial conference in February last, you indicated your wish that this subject be not introduced into the scope of the discussions at the conference. It was our understanding, therefore, that the continuation of these arrangements would not meet with your approval and accordingly the new Bill C-122 makes no provision therefor. I should be glad to hear from you as to what arrangement you consider appropriate for the future regarding this important fiscal arrangement in relation to fedeal university grants. A letter from you setting forth your definite views in this regard would greatly assist the federal government.

The federal government believes that its fiscal proposals to the provinces are most generous. We have carried the principle of equalization further and made it more effective for assistance to the provinces in the weakest fiscal position. By the proposals made the constitution has been strictly respected and the freedom and constitutional responsibility of the provinces have been restored.

Finally, with regard to your request for a further dominion-provincial conference, while I am most desirous of assuring the most amicable relations between the federal government and the provinces, I do not think that any good purpose would be served by a further conference at this time.

I am,

Yours sincerely,
(Signed) John G. Diefenbaker.

(Text):

Saskatoon,
August 4, 1961

The Honourable Jean Lesage, P.C. M.L.A.,
Premier of Quebec,
Quebec City, P.Q.

My dear Premier:

I have received your letter dated July 13 concerning the federal-provincial fiscal arrangements for the period commencing April 1, 1962.

You are no doubt aware that Bill C-122, entitled "Federal-Provincial Fiscal Arrangements Act", was introduced in the House of Commons on July 12 and is standing for second reading following the resumption of the present session in September. The features of the new fiscal arrangements and the reasons therefor were set forth in the speech of the Minister of Finance on July 11 at pages 7910-7931 of *Hansard*.

Under the new system the provinces will retain their full freedom to levy and collect whatever taxes they choose in the fields of personal income tax, corporation tax, and succession duties. Although the federal government has offered to collect the personal and corporation taxes on behalf of the provinces without any charge, you have indicated that your government is not interested in this offer and will collect the taxes it chooses to impose.

You are aware that the federal government is withdrawing to an ever greater degree from the personal income tax field in favour of the provinces. In 1956, the then federal government, of which you were a leading member, considered 10 per cent of the yield from the personal income tax to be an adequate provincial share. At the instance of the present federal government, this provincial share was raised in 1958 to 13 per cent. Under the proposed new arrangements, it will rise next year to 16 per cent and by a further 1 per cent each year thereafter until, in the fiscal year of the 5-year period, it will aggregate 20 per cent. Thus the provincial share will then be exactly double what was considered an adequate provincial share by the previous government for the present 5-year period.

I note, also, that the further proposals of the federal government in relation to the logging profits tax and the tax on public utilities engaged in the distribution of energy commend themselves to you. The provinces will undoubtedly derive substantial additional benefits from these proposals of the federal government.

Your reference to the special corporation income tax abatement under the 1960 legislation is worthy of special mention. As Quebec chose to be a prescribed province in pursuance of section 9A of the Federal-Provincial Tax-Sharing Arrangements Act for last year and this year, the federal corporation income tax payers in the province received an abatement of 1 per cent in addition to the normal 9 per cent, making a total of 10 per cent.

The provision under section 40(1) of the Income Tax Act, for an additional abatement of 1 per cent in the corporation income tax in a province prescribed by regulation under section 9A of the Federal-Provincial Tax-Sharing Arrangements Act was given a 2-year duration and automatically terminates at the end of the present year. At the time of the dominion-provincial conference in February last, you indicated your wish that this subject be not introduced into the scope of the discussions at the conference. It was our understanding, therefore, that the continuation of these arrangements would not meet with your approval and accordingly the new Bill C-122 makes no provision therefor. I should be glad to hear from you as to what arrangement you consider appropriate for the future regarding this important fiscal arrangement in relation to federal university grants. A letter from you setting forth your definite views in this regard would greatly assist the federal government.

Federal government believes that its fiscal proposals to the provinces are most generous. We have carried the principle of equalization further and made it more effective for assistance to the provinces in the weakest fiscal position. By the proposals made the constitution has been strictly respected and the freedom and constitutional responsibility of the provinces have been restored.

Finally, with regard to your request for a further dominion-provincial conference, while I am most desirous of assuring the most amicable relations between the federal government and the provinces, I do not think that

any good purpose would be served by a further conference at this time.

I am,

Yours sincerely,
John G. Diefenbaker.

(Translation):

OFFICE OF THE PREMIER
Province of Quebec

July 13, 1961.

The Right Hon. John G. Diefenbaker, P.C., Q.C.
Prime Minister of Canada,
Parliament Buildings,
Ottawa, Ontario.

Dear sir:

My colleagues and I have dutifully given close consideration to your letter of June 16, 1961, in which you set forth the federal government's intentions with regard to the questions raised during the recent federal-provincial conferences and, more particularly, the one which was held in Ottawa on February 23 and 24 last.

The province of Quebec has passed its own laws in the matter of personal and corporation income tax. I have no intention of proposing to the legislature that the care of collecting those taxes be entrusted to the Department of National Revenue. For that reason, I shall refrain from commenting on the collection agreements suggested.

With respect to the equalization formula, the guarantee offered and the gradual widening of the taxation field reserved to the provinces in the matter of personal income tax, I must point out once again that the effect of widening the taxation field is illusory for us, to all practical purposes, since what is given to us with one hand is taken away with the other, due to the decrease in equalization.

Personal and corporation income tax is already a heavy burden for our taxpayers. Therefore, our government will not be able to avail itself of a freer hand in the taxation field without maintaining or increasing double taxation.

You will understand that my colleagues and myself were bitterly disappointed by your letter. As I pointed out in Ottawa, the province of Quebec is in full expansion and needs additional revenues. In order to reach the national average, its expenditures, according to D.B.S. figures, should be materially increased in the important fields of education, health and communications. Those are priority requirements and only through an increase in the revenues at our disposal shall we be in a position to carry out our obligations under the constitution.

With regard to the tax on forest development projects, the solution suggested seems satisfactory.

I am pleased to learn that the federal government has endorsed my suggestion to extend beyond 1961-62 the agreements under which the provinces get a share of the income tax collected from certain public utility companies.

In this respect, I take the liberty of pointing out that the basis of computation used to determine the provincial share and which goes back to legislation passed in 1947 and 1952 that has now lapsed, should be governed by new regulations. As you indicated in your letter, the province of Quebec should receive half of the federal income tax from those corporations. In fact, the federal government pays to the province at present less than 20 per cent of the taxes levied from those companies. This is a serious anomaly that should be corrected.

Finally, I must point out that you make no mention at all of the special abatement on corporation income tax which was granted last year in order to solve the problem of assistance to universities. The wording of Bill C-120 and the explanations of your Minister of Finance indicate the existence of a serious misunderstanding on this matter.

Under the circumstances, it is urgent that another conference be held in order to seek an agreement and to see that no such serious misunderstanding be allowed to subsist.

Sincerely yours,
Jean Lesage.

(Text):

MOA644 MNA708
MN FNA187 12/9, Fredericton NB 30 857PM ADT.

Hon. John G. Dienfenbaker,
Prime Minister,
Ottawa, Ont.

New Brunswick favours thirty-thirty-thirty-ten. Distribution of Atlantic provinces grant.

Louis J Robichaud

Ottawa, June 1, 1961.

Honourable Louis J. Robichaud, M.L.A., Q.C., LL.D.,
Premier of New Brunswick,
Fredericton, New Brunswick.

My dear Premier:

Your letter of the 29th of May was received today and I am immediately bringing the contents to the attention of the Minister of Finance and will let you have a further reply as soon as possible.

I am

Yours sincerely,
John G. Diefenbaker

May 29th, 1961

The Right Hon. John Diefenbaker
Prime Minister of Canada
Ottawa, Ontario

Dear Mr. Prime Minister:

Upon receipt of your letter of April 12 concerning the basis of distribution of the Atlantic provinces adjustment grants among the four provinces, tentative arrangements were made for a meeting of provincial representatives to discuss the matter.

Preliminary discussions between the various premiers have since taken place by letter and telephone and I would hope that the proposed meeting will soon take place.

I trust that it soon will be possible to give you more definite information in this regard.

Yours sincerely,
Louis J. Robichaud

VMOA727
MO HXA548 15, Halifax NS 30 922PMA.

Honorable John Diefenbaker
Prime Minister of CDA
Ottawa Ont.

Retel Province of Nova Scotia agrees to same percentage division of Atlantic grants as previously

Robert Stanfield

Ottawa (4),
July 12, 1961.

The Honourable Robert L. Stanfield, Q.C., M.L.A.,
Premier of Nova Scotia,
Legislative Buildings.

Dear Mr. Stanfield:

The Prime Minister had noted that in connection with a number of things raised in your letter of June 29, 1961, you felt a specific reply was not required.

I am simply writing to say that because of the suggestion in the second paragraph of your letter, a copy has been referred to the Department of Justice with a request that model provincial legislation be given attention.

Respectfully,

Neil S. Crawford,
Executive Assistant
to the Prime Minister.

THE PREMIER
Halifax

June 29, 1961.

Right Hon. John G. Diefenbaker,
Prime Minister of Canada,
Parliament Buildings,
Ottawa, Ontario.

Dear Mr. Prime Minister:

I have your letter of June 16 in connection with the proposed federal-provincial tax-sharing arrangements. I am pleased to note that the federal government is prepared to continue the sharing of the income tax collected from certain public utilities for the fiscal year 1961-62.

I hope that the Department of Justice will be able to proceed as rapidly as possible with model provincial legislation, as I feel it most desirable to achieve some degree of uniformity in the legislation, so as to reduce to a minimum the possibility of conflict of interest among the provinces.

As you undoubtedly know, we enacted an act respecting individual and corporation income taxation at the last session of our legislature. Our act provides for a tax on personal income based on a percentage of the federal tax. It provides for corporation income tax at the rate of 9 per cent on taxable income with the said tax to be computed as if imposed under the Income Tax Act of Canada and regulations thereunder.

I note in your letter that the federal government is prepared to enter into a tax collection agreement with a province for any corporation income tax which is expressed as a flat percentage of taxable income as defined for federal income tax purposes. I am sure that your finance people and the Department of Justice are considering all the problems which may arise, but I might take the liberty of pointing out that there will have to be great care exercised in defining "taxable income for federal income tax purposes."

It has been brought to my attention that there are certain federal statutes other than

the Income Tax Act which contain special provisions having an important bearing upon the liability of certain corporations for income tax. I have been referred to the Canadian Vessel Construction Assistance Act and to the Maritime Coal Production Assistance Act, both of which apparently provide that a corporation is entitled to either special depreciation or deductions in computing income notwithstanding anything in the Income Tax Act or regulations thereunder.

I do not require any reply from you in connection with the latter comments. I trust that we will be able to work out all matters in connection with the legislation and the tax collection agreements to our mutual satisfaction.

Yours very truly,
R. L. Stanfield

THE PREMIER
Halifax

April 14, 1961.

Rt. Hon. John G. Diefenbaker,
Prime Minister of Canada,
Parliament Buildings,
Ottawa, Canada.

Dear Mr. Prime Minister:

I have your letter of April 12 concerning the division of the increased Atlantic provinces adjustment grants, and we will endeavour to reach a mutually satisfactory division as soon as possible.

Yours sincerely,
R. L. Stanfield.

PREMIER'S OFFICE
Charlottetown

June 30, 1961

Right Honourable John G. Diefenbaker,
Prime Minister of Canada,
Ottawa.

My dear Prime Minister:

On June 28th representatives of the four Atlantic provinces, including the premiers, excepting Mr. Smallwood, met at Halifax to discuss the division of the Atlantic provinces adjustment grant.

In previous correspondence with each of the premiers, a copy of which is enclosed, the views of the island government were outlined and our discussions yesterday were an amplification of our position.

We now find that the other provinces are unanimous in preserving the original 30-30-30-10 per cent basis, while we take strong exception to the provision for this province as being unreal and unfair and particularly so under the impact of rapidly expanding demands and services.

The working out on paper by economists of formulae sometimes complicated and far removed from the demands of fiscal need and actual conditions, does not provide a reasonable basis of settlement. The Ottawa conferences to my mind stressed the principle of fiscal need and surely on this basis, 10 per cent of the grant is not appropriate to our situation.

I am concerned with the fact that basic services in this province are reasonably similar to those of the other provinces and undergoing rapid expansion and increased costs. Our prospects for increased provincial revenues are very restricted and recent application of additional taxes in the form of sales and hospitalization levies has created some serious objections.

We are dependent almost solely on the farms and the sea for our basic economy. We have not been blessed with the wide range of natural assets that are common to the other provinces. These provinces are now under a strong development in these respects and national publications have recently outlined an attractive economic future in Newfoundland and New Brunswick through the development of their natural resources. Nova Scotia too occupies a somewhat similar position. Our province depends only on two very unpredictable sources of revenue, the land and the sea and in looking to the period in which the new financial agreement operates, I cannot forsee a development here comparable to that of the neighboring provinces.

Our provincial revenues, that in various forms of taxes and levies, will remain more or less static while revenues of the other provinces have every possibility of substantial expansion.

With these factors in view we submit that the original 30-30-30-10 basis is unreasonable and unfair. It was unfair in its original conception but under vastly changed conditions and demands, it is more unfair when applied to the proposed $35,000,000 grant. If that basis is preserved, it will mean $10,500,000 for each of the mainland provinces and $3,500,000 for the island. These other provinces will receive $7,000,000 more than the island instead of $5,000,000 under the previous allocation. This imposes too small a proportion of the grant and too great a burden to carry

on a population of 100,000 people faced with increased demands, services and restricted revenues.

Referring again to the conference of yesterday the mainland provinces seemed very determined on the old formula and while our original demand was for 20 per cent, we offered to generously compromise on a 30-30-30-10 basis on the original $25,000,000 and a more realistic proportion of 20 per cent of the extra $10,000,000, or, as an alternative, an across the board basis of 29-29-29 and 13. This would not seriously affect the mainland provinces but would in view of our low allocation provide a measure of financial relief for the island.

At one of our Ottawa conferences, it was suggested that if agreement could not be reached in the division by our Atlantic provinces premiers that the matter might then be referred back to Ottawa. In view of the situation outlined, we have no other alternative but to ask federal authorities, who are responsible for a very generous grant, to mediate in this situation and provide such adjustment that will bring our portion to some reasonable level above the 10 per cent basis.

Trusting to have your views and I trust a satisfactory solution at an early date, I remain,

Yours very sincerely,
W. H. Shaw,
Premier.

Charlottetown, P.E.I.
June 30, 1961.

John G. Diefenbaker,
Prime Minister,
Ottawa, Ontario.

Have written you today re disagreement this province with stand of other three provinces for a thirty thirty thirty ten allocation of thirty five million dollar adjustment grant. Feel this very unfair to island facing expanded commitments and similar services and lacking potential other provinces from resource revenues. Have suggested above distribution covering twenty five million but an increased allocation of twenty per cent on additional ten millions or a twenty nine twenty nine twenty nine thirteen over all basis. Do not wish to hoard up necessary decision but if possible would like federal mediation in reaching solution reasonably satisfactory to this province. If slight delay not possible and fair adjustment not made will stape this province feel settlement advocated by other provinces most unfair.

W. R. Shaw, Premier.

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Hon. John G. Diefenbaker,
Prime Minister of Canada,
Ottawa, Ont.

Prince Edward Island not satisfied with allocation suggested by other three provinces. Have written you today please contact Monday after receipt my communication.

Walter R. Shaw, Premier.

PREMIER'S OFFICE
Charlottetown
April 24, 1961.

Right Honourable John G. Diefenbaker
Prime Minister of Canada
Ottawa

My dear Prime Minister:

I have your letter under date of April 12, regarding an early disposition of the Atlantic provinces adjustment grants between the four Atlantic provinces.

I may say that we have had some correspondence in this connection and I feel that we will get together very shortly and have this matter arranged on what I hope will be a satisfactory basis to all concerned.

Yours sincerely,
W. R. Shaw,
Premier

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=Right Hon. John G. Diefenbaker,
Prime Minister of Canada,
Ottawa, Ont.

Thank you for your message to Premier Smallwood. Nfld. considers its share of thirty per centum of Atlantic provinces adjustment grant as previously agreed very fair and would be happy to participate in increased grant on same basis. Kindest regards.

Leslie R. Curtis,
Acting Premier.

PRIME MINISTER'S OFFICE

Ottawa, June 30, 1961

The Honourable J. R. Smallwood,
Premier of Newfoundland
St. John's, Newfoundland.

Immediate decision on division of Atlantic provinces adjustments grants among four

Atlantic provinces necessary for federal legislation. Please advise decision by return wire.

John G. Diefenbaker
Prime Minister of Canada

Note: A similar wire was sent to the premiers of Nova Scotia, Prince Edward Island and New Brunswick.

Ottawa, April 12, 1961.

Honourable J. R. Smallwood, D.C.L., LL.D., M.L.A.,
Premier of Newfoundland,
Legislative Building,
St. John's, Newfoundland.

Dear Premier,

In my statement to the dominion-provincial conference of February 23 and 24, I said that the federal government proposed to continue the Atlantic provinces adjustment grants and to increase them effective April 1, 1962, from $25 million to $35 million per annum for the ensuing five years, with the basis of distribution among the four provinces being left for them to determine by agreement.

The additional grants to the Atlantic provinces are presently provided for under section 11 of the Federal-Provincial Tax-Sharing Arrangements Act. It is intended that the increased grants for the period after April 1, 1962, also be provided for in federal legislation which will be introduced at the current session of parliament. I would urge, therefore, if you have not already done so, that you arrange to determine with the other Atlantic premiers a mutually satisfactory division of the increased grants totalling $35 million for each of the five years commencing April 1, 1962.

In view of the need to prepare federal legislation at an early date, I would appreciate being advised as soon as possible of the division of the grant mutually agreed upon by the Atlantic premiers for the next five years.

Yours sincerely,
John G. Diefenbaker

Note: A similar letter was sent to the premiers of Nova Scotia, Prince Edward Island and New Brunswick.

HOUSE OF COMMONS

Saturday, September 23, 1961

The house met at 11 a.m.

NATIONAL DEFENCE

ALLEGED WASTE OF MANPOWER—MOTION FOR ADJOURNMENT UNDER STANDING ORDER 26

Hon. Lionel Chevrier (Laurier): Mr. Speaker, I beg leave to move the adjournment of the house under standing order 26 for the purpose of discussing a definite matter of urgent public importance, namely the failure of the Minister of National Defence to disclose to the house during consideration of his estimates a hidden report of the Department of Finance asserting that many thousands of men were already being wasted in the navy, army and air force.

Mr. Speaker: I have been asked by the hon. member for Laurier for leave under standing order 26 to move the adjournment of the house for the discussion of a subject which is certainly not the usual type of subject advanced as requiring the postponement of other proceedings and as being of such general public importance to permit a discussion under the standing order.

What the hon. member wishes to discuss is the alleged failure of the Minister of National Defence to disclose what is referred to as a hidden report in the course of the consideration of his estimates. In other words the complaint is about some action that did not take place, or some act within the House of Commons itself. These matters are usually dealt with as questions of privilege if they involve the privileges of the house, or as a matter of grievance if it is a complaint against the conduct of the government in its actions toward the house.

I think it would be improper to extend the scope of the rule to cover matters which are purely questions of the relationship of the minister to the house within the house.

Mr. Chevrier: Will Your Honour allow me to argue the point?

Mr. Speaker: I would be quite ready to hear the hon. member on the procedural point, but not on the substantive subject matter of the proposed debate.

Mr. Chevrier: I quite understand that Your Honour will hear me on the meaning and extension of rule 26 but not on the merits. I propose to address myself now to the point that Your Honour raised a moment ago. I should like to say, sir, that this matter would unquestionably have been raised and discussed by those of us who sit on this side of the house had there been an opportunity to do so, and had we known of it during the consideration of the minister's estimates.

As the house knows, the minister's estimates are now complete and have passed the house. There is no opportunity, therefore, to discuss those estimates again during the remaining time the house will be sitting. Then there is the question of the motion to go into supply. We, of our own volition, decided to forgo that motion, so there is no other occasion upon which we would have an opportunity to discuss a matter of this nature. We did this by agreement among the parties; I will not say it was done at the request of the government, but it was decided we would forgo the motion to go into supply under certain circumstances. Then there was this sensational story in the *Globe and Mail* of national importance. Surely there is no other opportunity from now until the end of the session when we may be given a chance to discuss a matter of this importance.

I shall not, as I say, go into the merits of the subject, Mr. Speaker, but here is a story which, if there is any foundation for it, at least calls for some explanation by the Minister of National Defence, the Prime Minister or the Minister of Finance if he were here. I should like an opportunity to discuss the merits of the subject after Your Honour has dealt with what I am now saying. As the matter stands now there will be no opportunity from now until the end of the session to discuss this matter of urgent public importance.

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, I should like to add a few words on the point upon which you now have to make a decision. I know, sir, the responsibility that is placed upon you at this moment. There can be no question of the urgency of the matter which is now before us, not only because during the consideration of the defence estimates there was no indication of such a report having been made by the Minister of Finance to the cabinet or treasury board, but also because during the consideration of the estimates the hon. member for Kootenay West made certain statements to the Minister of National Defence, as recorded on page 8320 of *Hansard* for September 13.

At that time the minister said the hon. member for Kootenay West was incorrect in maintaining that the increase in armed forces for NATO at this time was being initiated to replace the loss of combat troops who are now performing other tasks.

In view of the fact, sir, that this information which now appears in the *Globe and Mail* was made available to the treasury branch of the government some two months ago, and in view of the statement of the Minister of National Defence in reply to the hon. member for Kootenay West, I would say this is a matter of urgency, and we expect you will so rule.

Mr. Speaker: I, of course, accept quite readily the proposition that the consideration of the efficiency of the defence forces, and so on, which would appear to be the background of the subject under discussion, is a matter of urgent public importance. However, I am asked here to set aside our ordinary procedures to allow a complaint to be made about the conduct of the Minister of National Defence, based on a story appearing today in the press.

At any rate, even if I accepted the hon. member's argument it seems to me that the foundation of the motion is scarcely sufficient. It seems to me that he ought to establish that there is a report and that it is a report which in the public interest should be presented to parliament. That is a matter that can be brought out by questions, and the hon. member will have that opportunity. However, before there is some basis for a debate on the failure of the minister to do something which, I would think, is still in the realm of speculation, I do not believe that I should accept the hon. member's request, at this time in any event. I must indicate that my judgment is that leave should not be given.

REPORT RESPECTING ALLEGED WASTAGE OF ARMED FORCES PERSONNEL

On the orders of the day:

Hon. Paul Martin (Essex East): Mr. Speaker, I wish to direct a question to the Prime Minister. Can he give the house some assurance that the Minister of Finance will be in the house before we prorogue, in order that we may query him as to the charges that appear in this newspaper regarding his concern and displeasure over the waste in the army, navy and air force, according to a report of the Department of Finance to which my friend the hon. member for Laurier made reference a moment ago? This article in the *Globe and Mail* undoubtedly has come to the attention of the Prime Minister. It makes serious allegations that affect the administration of national defence.

Mr. Speaker: Order. The hon. member has asked a question. I think he should not elaborate with comments on the situation.

Mr. Martin (Essex East): Would the Prime Minister care to comment?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, the hon. gentleman regularly follows the course of making such statements, which he realizes are out of order, so that he will be able to make unsupported allegations, regardless of the rules.

As to the question whether or not the Minister of Finance will be here, I expect him to be here early next week, on Tuesday or Wednesday. At the moment he is engaged in discharging his responsibilities at the meeting of the international monetary fund, and he has one further appointment before returning.

I do not think I am going to make any observations as to the other matters except to say this. With the experience the hon. gentleman had as minister, he and those associated with him will recall that the policy of all governments since confederation has been not to affirm or deny any assertions about representations or statements passing between governmental committees or between departments of government.

Mr. Martin (Essex East): Mr. Speaker, I rise on a question of privilege. The Prime Minister's last statement is one with which I take issue. No one will deny that a document as between one minister and another is privileged, but the moment it becomes a public affair, the situation is changed. Here in one of my hon. friend's own journals is the allegation that there is a secret report.

Some hon. Members: Oh, oh.

An hon. Member: The allegation?

Mr. Martin (Essex East): This is now a matter of public knowledge.

Mr. Speaker: Order. The hon. member raises as a question of privilege the statement of the Prime Minister that interdepartmental communications have been communicated to the house only in the discretion of the government, as I understand him. There is a question of the privileges of the house, of course, if the minister refuses to communicate to the house something which the house is entitled to have. However, I do not think that question is before us. I understood that the hon. member for Essex East was simply arguing the general statement of the policy that has been followed since confederation with respect to documents.

Mr. Martin (Essex East): Mr. Speaker, may I just explain what I am seeking to do. The Prime Minister needlessly provoked me into an exchange. I should have addressed myself to the Chair and not to him. I apologize to the Chair for that. The Prime Minister said that exchanges between one minister and another were privileged and that no hon. member had the right to compel or to extract from the ministry the circumstances or the character of these privileged documents. With that there is no quarrel.

My question of privilege is this. Now that there has been a public revelation of the existence of such differences and such a report, it surely is within the privilege of any hon. member of this house to ascertain from the minister concerned or from the government the character of that report, particularly when it so vitally affects our defence forces.

Mr. Speaker: I would accept that there is a question of privilege there, but I do not think it has yet arisen. What is being debated is the general principle. If there has been a refusal and the house considers that raises a question of privilege, well and good; let the hon. member who complains bring it forward in the proper way. But so far I think we are talking about principles rather than acts.

Mr. Winch: Mr. Speaker, may I be permitted to ask a supplementary question on the original question?

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I should like to raise a point of order before the hon. gentleman asks a supplementary question, because I do not think I would have the right to do it afterward. The Prime Minister asserted in his answer that communications between ministers had always been regarded as privileged ever since confederation, and that all governments had taken that view. The Prime Minister, of course, was very inexperienced as prime minister at the time, but he will recall that on January 20, 1958—

Mr. Speaker: Order.

Mr. Pickersgill: —he seemed to take a different view—

Some hon. Members: Order.

Mr. Speaker: Order.

Mr. Pickersgill: —about exchanges between the members of another government.

Mr. Diefenbaker: Mr. Speaker, I have not raised any objection to the gratuitous statements which have been made. The hon. member for Essex East—

Mr. Martin (Essex East): Order.

Mr. Diefenbaker: —pretending to operate under a question of privilege, made statements that are not justified as a matter of privilege. This discussion can only lead into a debate and the making of statements that are in no way permissible at this stage.

Mr. Martin (Essex East): Mr. Speaker—

Mr. Speaker: I agree that we should not debate the principle now. Of course the Prime Minister will, I think, recognize that he introduced the subject of the debate himself.

Mr. Martin (Essex East): Hear, hear.

Mr. Speaker: The Prime Minister referred to the practice since confederation. I think we should not debate the question of what has been the practice or what is the practice. If there is a proper question of privilege or a point of order, well and good.

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, I should like to ask a supplementary question on the original question, not to be argumentative but merely seeking information from the right hon. Prime Minister. I should like to ask the Prime Minister whether his attention has been drawn to a front page article in the *Globe and Mail* this morning to the effect that a report was made by the Minister of Finance to treasury board. Can the Prime Minister tell us if such was the case; and further, can he make any comment on the allegations in the *Globe and Mail* article which reads in part:

> —the defence department should be able to find the men it needs to expand the operational capability of the armed forces without any increase in total manpower—

Is the Prime Minister in a position to comment on the report and the allegations as contained in the article in the *Globe and Mail* of this morning?

Mr. Diefenbaker: Mr. Speaker, I have already dealt with the question as to whether there was or was not a communication. That is one of the matters that, in the public interest, governments since confederation have refused in any way to present or bring before parliament.

As to representations that are made from time to time, any hon. gentleman who has had any connection with government knows that in the determination of any problem that arises for decision by the cabinet, naturally representations are made respecting "the pros and the cons". Those, too, have always been regarded as privileged.

Hon. Lionel Chevrier (Laurier): I should like to ask the Prime Minister a question having to do with the statement he made a moment ago, that communications between

one minister and another are privileged and have never been made public. Is he aware that in order to substantiate his position in the house not very long ago, the Minister of Mines and Technical Surveys made public a letter that I had written as minister of transport to the former minister of mines and technical surveys, and put it on the record?

Mr. Speaker: Order. I am afraid we are now getting back to an argument on the question of principle, as to whether the government is obliged to answer questions relating to interdepartmental communications. The government, as I understand the answer, takes the position that it is not so obliged and has, in effect, declined to answer the question on that matter. I think this does not open the way to a debate on whether or not the government is right to decline. That may be possible at another time, but not now.

Mr. Chevrier: I did not desire to open a debate, but I think if the rule applies in one case then surely it applies in another.

Mr. Speaker: It appears to me that the hon. gentleman is making an argument, and I think a debate on this issue would be out of order.

Mr. Chevrier: Will the Prime Minister answer my question?

Mr. Diefenbaker: There is no question to answer.

Mr. Speaker: It appeared to me to be a debating question.

Mr. G. J. McIlraith (Ottawa West): On a point of order, has not the situation been created by the fact that the Prime Minister was permitted to make a gratuitous reference to what the practice had been since confederation? That reference having been permitted, it is difficult to rule out questions indicating that what he said might or might not be so. This is where the difficulty arises.

Mr. Speaker: The hon. member is putting forward an ingenious argument. If I were to accept it, it would mean that if any hon. member who had the floor made an observation which was irregular under the rules it would open a debate on that observation. I do not think a point of order arises.

Mr. Martin (Essex East): In view of what has arisen this morning and the article which appeared in the *Globe and Mail*, does not the minister himself think he should make a forthright statement to the house at the present time?

[Mr. Chevrier.]

Hon. D. S. Harkness (Minister of National Defence): I do not believe any such thing. If members of the government were required to answer in detail various speculative stories which appear constantly in the press, the whole time of the house would be taken up with debating these matters. In this particular case it is alleged that a certain cabinet document is in existence. The article then alleges that there are certain things contained in that document. As the Prime Minister has pointed out, it has never been the custom either to admit or to deny the existence of any particular cabinet document. As the hon. member well knows, having been a member of the previous government for many years, such documents are entirely secret.

Mr. Martin (Essex East): That is not the issue.

Mr. Speaker: Order. I think the minister is doing what I have preventd some hon. members opposite from doing, that is debating the principle of what is the practice with respect to interdepartmental communications.

Mr. Martin (Essex East): May I ask the Minister of National Defence a question based on a story which appeared in today's *Globe and Mail* alleging that there is a waste of many thousands of men in the navy, army and air force?

Mr. Harkness: As I indicated when the discussion of the estimates for my department was in progress, I do deny any such allegations.

UNITED NATIONS

STATEMENT ON ACTIVITIES OF CURRENT GENERAL ASSEMBLY

On the orders of the day:

Mr. Arthur Smith (Calgary South): I am sure the house would want to welcome the Secretary of State for External Affairs back from the general assembly of the United Nations. Perhaps we might take this opportunity of asking him if he could report on the activities of the session to date.

Hon. Howard C. Green (Secretary of State for External Affairs): I thank the hon. member for his kind words, and I am sure the house is also very glad to welcome him back from the Middle East.

In his work with the United Nations the hon. member represented Canada in connection with the very difficult question of refugees in the Middle East. He has now had an opportunity to visit the camps and see just what is going on there, and I am sure this will be beneficial to the house.

The outstanding event of the sixteenth session of the general assembly thus far has been the tremendous impact made by the tragic death of the secretary general, Mr. Dag Hammarskjold. It would be difficult for one to express adequately just how the delegates from all countries, except perhaps the communist countries, have been saddened by this event. Tributes were paid to the memory of this great world statesman a day or two ago, and I had the privilege of speaking for Canada and also for Australia and New Zealand. We were very pleased that they asked us to say a few words on their behalf as well as on our own.

This death, of course, could be disastrous for the United Nations, coming as it did at about the worst time such an event could possibly occur. However, I believe there will be a great rallying to the support of that world organization. I believe most of the delegations are determined that the United Nations shall not be allowed to fail, and that it will go on to achieve greater strength as a result of the inspiration of Dag Hammarskjold and the sacrifice he has made in the cause of world peace.

There was no difficulty in electing a president, Mongi Slim, who has given distinguished service for Tunisia in the United Nations. Since that country achieved its independence about five years ago he has been the permanent representative of Tunisia at the United Nations. He is admired and respected by all countries. I believe he is the first African president of the United Nations. The fact that under present conditions he was elected unanimously augurs well for the future.

The immediate question, of course, is what to do about putting someone in charge of the direction of the secretariat. I believe it may take some little time to work out the election of a secretary general on the basis secretary generals have been elected in the past, but at the moment what is needed is someone to act in a temporary capacity as director of the secretariat. There is no thought of making such a man an acting secretary general and giving him that status, but he would be in charge of the work of the secretariat.

Strenuous efforts are being made to arrive at a decision which will bring about that result. Thus far the communist countries say they are going to stand firm on the troika principle, which is that there must be a three-headed supervision with one representative of the western countries, one of the communist countries and one of the uncommitted countries. I think there is no support whatever for that suggestion, either on an acting basis or on a permanent basis, outside the nine communist countries, and two of those communist countries are Byelorussia and the Ukraine. Possibly Cuba might support it, but I believe every Afro-Asian country is against the troika principle. We had a meeting of the commonwealth representatives on Wednesday morning and every one of the commonwealth delegations is against any such principle.

I am hoping that within a very few days some arrangement can be worked out so that a temporary director can be appointed. This would be done in the general assembly, not subject to recommendation from the security council, as would be the case if a secretary general were to be appointed which, of course, would give the Soviet union an opportunity to veto anything proposed in the security council.

I believe there has been quite a reduction in tension during the last two or three weeks. I have always been of the opinion that a meeting of the United Nations assembly would bring about a reduction of tension, and I think it is doing that. It is very significant that the United States and the Soviet union agreed just a day or two ago—I get all mixed up about days; things move rather rapidly in the United Nations—on a statement of principles for disarmament. These are the principles that will form the background of an actual negotiated agreement on the details of disarmament.

I expect that on Monday President Kennedy will announce a revised disarmament plan, in the preparation of which Canada has had a very important part. Many of our suggestions have been written into this proposal, and I think hon. members will find it is the most appealing disarmament proposal which has yet been advanced. There still remains the question of the forum in which the negotiations would take place, whether it would be in the old 10 nation committee of which Canada is a member, or be in the 10 nation committee plus three officers from unaligned countries which we suggested last year, or whether it would be in the 10 nation committee plus 10 uncommitted countries which the United States has also suggested, or whether it would be referred to the disarmament commission of the United Nations. This question of forum will have to be worked out, and I hope Canada will be able to take some initiative in connection with that particular problem.

On the question of Berlin, Secretary of State Rusk and Mr. Gromyko, the foreign minister of the Soviet union met a day or two ago and they are to meet again next week. They are discussing possible negotiations on the Berlin question. It does not do for one to be too optimistic on any of these questions; I learned this the hard way. Some

people in Canada believe the foreign minister should not be too optimistic. However, I believe there is a reasonable chance that negotiations on the question of Berlin can be arranged, and we hope to have something to say on this Berlin question ourselves when Canada participates in the general debate which is now taking place.

I have had the privilege of holding discussions with several other foreign ministers. The hon. member for Essex East knows that the United Nations is about the best place possible for foreign ministers to exchange views. I plan to go back on Thursday night, or perhaps Wednesday night, and continue with such conferences, and I believe our statement will be made perhaps a week from Tuesday. In any event, I suggest to the house that there is no need to give up hope for the United Nations. I think it is going to come out of this crisis stronger than it has ever been. I remain convinced that it is the one hope of mankind.

Hon. Paul Martin (Essex East): Mr. Speaker, I should like to put a question to the Secretary of State for External Affairs. In doing so may I say that we are all very glad to have him back with us this morning. We appreciate his general review of developments at the United Nations since Monday last. We wish him well in these very important deliberations that affect not only our country but the peace of the world.

Perhaps the minister is aware that during his absence, the Leader of the Opposition suggested to the Prime Minister that it would be desirable for the government to acquaint members of the United Nations with the important reports made to the house by the Minister of National Health and Welfare as to the sharp increases in radioactivity levels in Canada. The Prime Minister acknowledged the importance of communicating the results of these readings to our delegation at the United Nations. Can the minister say whether this has been done? Does he not believe it might have a very important bearing on the efforts that are being made to arrive at a convention, in a further attempt to achieve a ban on nuclear tests?

Mr. Green: Mr. Speaker, in the session of 1959 Canada took the initiative on the question of radiation, and after many trials and tribulations was able to get unanimous agreement to a resolution which called for further sampling and testing with respect to radiation and a wider dissemination of the knowledge gained thereby. I think the Prime Minister mentioned yesterday or the day before that we are about to receive samples from four different countries for testing of this kind.

Mr. Martin (Essex East): With regard to food.

Mr. Green: This fits in very well, of course, with the present situation and gives us a very good background for raising the subject in the course of the general debate. That I expect to do. We have also taken a very definite stand on the question of nuclear testing, under prodding from time to time by the hon. member for Essex East, who seemed a little doubtful of the wisdom of our policy.

Mr. Martin (Essex East): Oh, no.

Mr. Green: I am very glad to see that he is converted, and I can assure him that we will also be dealing with the question of nuclear tests.

Mr. Harold E. Winch (Vancouver East): I should like to direct a question to the Secretary of State for External Affairs. In so doing may I say that our group also welcomes him on his return. May I also tell him that we follow all his activities and statements at the United Nations with great interest. I say that not only on behalf of this group generally but also because of the marvellous education I received as a result of the opportunity granted to me last year to spend some 10 weeks at the general assembly.

Can the minister inform the house whether at the sixteenth general assembly of the United Nations he is going to continue the policy he advocated, the leadership he gave and his exhortation to all 99 countries at the fifteenth general assembly with regard to no expansion of the nuclear club? Is that the present policy of the government?

Mr. Green: I presume that there will be a debate in the general assembly on this question, and at that time Canada's stand will, of course, be made known.

Mr. Winch: I hope it has not changed from what the minister advocated last year.

[*Later:*]

Mr. Winch: Mr. Speaker, I should like to ask the Secretary of State for External Affairs one more question. In view of the anxiety in the minds not only of the people of Canada but also of the people of the world over the Berlin crisis, and the statement of the minister a few moments ago that perhaps within the next week or two it may be possible for him or his representative to make a statement at the United Nations, can the minister give us any indication whether in his mind and the minds of the other members of the government thought is being given to the recommendation that Berlin should be an internationalized city under United Nations

control and armed forces, in order to relieve the power politics tension which has given rise to the Berlin crisis?

Mr. Green: I think it would be very unwise for me to make any comment on that suggestion. The department is giving very careful thought to any possible role in the Berlin situation for the United Nations, but I am not yet in a position to make any statement as to what our definite recommendation will be.

LABOUR CONDITIONS

REPORTED STATEMENT BY MOUNTED POLICE OFFICIAL RESPECTING UNION ACTIVITIES

On the orders of the day:

Mr. Frank Howard (Skeena): I should like to address a question to the Acting Minister of Justice. I regret not having been able to give notice. My question is based on the report of a speech by R.C.M.P. deputy commissioner McClellan at Halifax recently in which he lauded the efforts of one of the factions involved in a current interunion jurisdictional dispute at the Sudbury local of the mine, mill and smelter workers union. Does the minister think it is a proper function of the Royal Canadian Mounted Police to interfere in the affairs of unions in such a manner?

Hon. D. J. Walker (Acting Minister of Justice): I will be very happy to draw the attention of the Minister of Justice to the fact that the hon. member has asked this question.

TRADE

ACCRA—INQUIRY AS TO REPORTED STATEMENTS BY CANADIAN MINISTERS

On the orders of the day:

Mr. John R. Matheson (Leeds): I should like to direct a question to the Prime Minister. Is the Prime Minister now in a position to table the texts of the speeches delivered by the Minister of Finance and the Minister of Trade and Commerce at the Accra conference?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I have nothing further to add to what has already been said. As I have said, the Minister of Finance will be back on Tuesday or Wednesday and I think the Minister of Trade and Commerce will be here on Monday.

SUPPLY

The house in committee of supply, Mr. Chown in the chair.

PRIVY COUNCIL

312. Payment, notwithstanding anything in the Financial Administration Act or the Senate and House of Commons Act respecting the independence of parliament, to each member of the Queen's privy council for Canada who is a minister for whom no salary or allowance in addition to the allowances under section 33 and section 44 of the Senate and House of Commons Act is provided (the acceptance of which shall not render such member ineligible or disqualify him as a member of the House of Commons) of a salary of $7,500 per annum and pro rata for any period less than a year, $7,500.

Mr. Pitman: Mr. Chairman—

Mr. Diefenbaker: May I suggest to the hon. member for Peterborough, who was in the midst of a very interesting speech the other day, that perhaps we could now deal with the item before us and then come back to the emergency measures organization in its proper order. At that time he could go ahead with his speech.

Mr. Pitman: I will be glad to agree.

Mr. Pickersgill: Is this the vote on the administration of the privy council office?

Mr. Martin (Essex East): No.

Item agreed to.

Privy council office—

313. General administration, $563,390.

Mr. Pickersgill: Mr. Chairman, I should like to make a few brief observations on a matter which I probably could not bring up on any other item in the Prime Minister's estimates. I am not going to say anything about the administration of the office. What I am going to do is make an appeal to the Prime Minister with respect to a matter about which I think he told the house he has reached an understanding with the premier of Newfoundland—certainly there was a public announcement—with respect to the title of the former United States air force base at Fort Pepperrell on the outskirts of the city of St. John's, Newfoundland. I want to emphasize that in what I have to say I am speaking for myself solely, as a member of parliament, and that I am in no way making any plea for any other person whatever. I am seeking to do this in a non-contentious spirit. I do not intend to make any attempt whatever to argue the legal case, because I feel it would be a quite improper use of the time of the committee to do anything of that sort.

The case I want to make very briefly to the Prime Minister is this; that notwithstanding any question as to whether there may or may not be a claim to federal title, there is no compelling reason why the federal authority should seek to get possession of

this property. This was not military property of the British government or the Newfoundland government; it was a property that was acquired out of crown lands or private lands in Newfoundland by the then commission of government of Newfoundland to be turned over as a free gift by the British government to the United States on a 99 year lease, in the darkest days of the war. This territory, according to the agreement that was made at that time, was to revert to Newfoundland at the end of the 99 years or at any earlier time at which the lease might be terminated.

It is true, of course, that the ultimate title to anything which was vested in Newfoundland before union, has to be construed in relation to the terms of union; because when Newfoundland became a part of Canada that legal entity of Newfoundland was divided between the government of the province and the government of Canada. I am not seeking to found any legal argument there. What I am suggesting is, here is a very valuable piece of real estate which was, in no way, a military base. It never was a military base even in the sense in which Harmon field and Argentia were military establishments. Fort Pepperrell was not anything but a headquarters. Most of the buildings there are buildings that could and would be put to a civilian use.

For over a year now this valuable property has been unoccupied. It is costing both the provincial and federal treasuries a certain amount annually to keep it up. There are many parts of this establishment for which the provincial government, either directly or through the local authorities, could undoubtedly find a use. Moreover, whatever may be the legal niceties of the matter, there would seem to be an incontrovertible moral claim on the part of the people and province of Newfoundland to the restitution to them of this territory which was taken for exceptional emergency purposes, not Canadian purposes or British purposes or Newfoundland purposes but United States purposes. This was done at a time when everybody was quite prepared to justify it.

The suggestion I am making to the Prime Minister is one about which I am quite sure there would be no criticism in any part of this country. I am not criticizing the decision to refer the matter to the supreme court because, in itself, I think that is a very appropriate way of dealing with a problem of this sort. However, if the federal government were to decide that in view of the unique situation here no precedent that could be embarrassing in other situations would arise or could arise, it could unilaterally declare it was no longer interested in asserting any title to this property, then some means could be found, perhaps by a special act of parliament, of validating the title of the province to this territory. It was made clear during the discussion of the defence estimates that there was no military necessity for acquiring this property.

I believe, and I hope, that such action would be regarded by everyone as a proper disposition of this matter. Even if an announcement were made that such action was going to be taken, and custody were transferred on that basis, this would enable this valuable property to be used effectively immediately. As I say, I am putting this suggestion forward in, I hope, a completely noncontentious spirit. I have no criticism at all of anything the government has done. I am merely suggesting a course of action which I feel would commend itself to most Canadians.

I might venture, perhaps, an analogy. The privy council established that Indian reserves, so long as they are used for the purpose for which they were taken in the first place, they are under the ultimate control of the government of Canada through the superintendent general. However, if an Indian band becomes extinct, the title to that land immediately reverts to the province and does not remain in the crown in the right of Canada.

It seems to me if that is true of Indian lands, some of which may have been Indian reserves for more than a hundred years, then the same principle could be applied to this land. In British Columbia recently there was a case of an Indian reserve which had been established in 1871, or whenever Indian reserves were established shortly after the union of British Columbia with Canada, and the band became extinct. The title to the land was immediately transferred to the province without any question, and it became provincial crown land. There have been a good many other cases of this kind.

I recognize at once that the Prime Minister could not, and properly would not, himself give a snap judgment on a suggestion of this sort. All I am doing is putting forward this suggestion and asking if he will give it most sympathetic consideration. He could discuss with his colleagues whether or not this course would be in the national interest and in the interest of maintaining that harmony we all wish to see prevail, particularly in the light of the fact there is certainly no clear and specific language in the terms of union dealing with this matter, presumably because those who drafted the terms did not feel any provision of that kind was necessary. There may have been the feeling that the normal presumptions would apply in this matter. I say, having put this suggestion to the Prime Minister, all I am asking him to do today is

to say that it will be given sympathetic consideration, and I hope he will do this.

Mr. Diefenbaker: As I listened to the hon. gentleman, I could not but regret that he had decided to discontinue his studies leading to admission to the bar. He made his argument in a very objective manner. He, of course, frankly admitted that he was speaking for himself alone, and that no one else apparently held the same view or at least had impressed him as to holding that view.

As I recollect it, the premier of Newfoundland at one of the dominion-provincial conferences asked that this matter be referred to the Supreme Court of Canada. That was at his request. I seem to recall he said that the legal argument that the lands should be vested in the people of Newfoundland was unchallengeable. Arrangements were then made that the question of the rights of the two governments in respect to this property be referred to the supreme court, and the matter is now before that court. Although it has not been argued yet it is in the custody of the court. When the answers are given by that court, both governments will be in a position to know their legal rights. I think that is as far as I should wish to go at this time.

Mr. Pickersgill: In view of the reply the Prime Minister has made, may I say that I either did not make myself clear—and that is quite possible—or the Prime Minister in a very polite way is saying that he will not consider my suggestion. I understand perfectly that the government of Canada must consider that it has some vestige of a claim or it would not have taken the responsibility of making any reference at all to the courts. The argument I was making was that whether or not there was any legal claim, in my view there did not seem to be any good moral claim or any really pressing military reason why the government should seek to assert any title in this matter.

The Prime Minister of course—he having practised law as I have not and never expect to—will know that a great many cases, even though they have been taken to the courts, have been settled out of court. What I was suggesting was this. In view of the importance of getting this property into use promptly, and in view of the fact that in common sense there is no real national interest involved here at all, my suggestion was that the reference should be abandoned and that the government, through parliament or otherwise, could take whatever steps might be necessary in order to make sure that the title would be a valid one on the part of the crown in the right of the province.

The Deputy Chairman: Shall vote 313 carry?

Mr. Pickersgill: If no one else has anything to say, there is another point I wish to raise.

The Deputy Chairman: The hon. member for Bonavista-Twillingate has the floor.

Mr. Pickersgill: The other day the Prime Minister in another debate—I know I cannot quote from that debate, but I am sure he will not object to my alluding to it—was good enough to make reference to an interest which I had expressed to him in the possibility of the government of Canada acquiring Earnscliffe and using it as the residence of the Prime Minister instead of the present residence. Since the Prime Minister himself raised the matter in the house the other day, I wondered whether there was anything he could now add to what he said on that occasion. I had thought that at a time when there was a vacancy in the office of the British high commissioner it might be an appropriate time at which to make the change.

I should like to say this. Although there might be some members of my party who would think that the residence of the first prime minister of Canada, because of his party, would not be a suitable residence for prime ministers of other parties, that is not a view that I would share; nor would anyone in the House of Commons, knowing how non-partisan and moderate I am in my views, expect me to share it.

Some hon. Members: Oh, oh.

Mr. Pickersgill: I think any Liberal prime minister or any Liberal who was not willing, and would not consider it an honour, to live in the house in which Sir John Macdonald lived would not really deserve to be prime minister of Canada. There are no sentimental associations that I know of attached to the present residence of the Prime Minister. It is a beautiful place. It is perhaps in an even more pleasant physical location than Earnscliffe. I cannot think that the United Kingdom would be any loser in the bargain. I believe it would be pleasing to all Canadians if that exchange were possible. I would even go so far as to say this. I see in the chamber a member of the New Democratic party, which I am inclined to refer by with different initials. I would call them the S.O.P., or the same old party.

Some hon. Members: Oh, oh.

Mr. Pickersgill: I note that they are largely represented in the house at the present time. I would hope that one of their many spokesmen in the house at the present time would join me in an assurance that in the unlikely

event that a member of their party should ever become prime minister, they would also feel that it was an honour for them that their leader should live in the home of Sir John Macdonald. I do not expect any such event to occur in the twentieth century. However, I think it would perhaps be just as well to indicate a unanimity of feeling about this matter, if there is such a feeling in the committee.

Mr. Pitman: I shall be very glad to intimate such a feeling, Mr. Chairman. I can assure the hon. member for Bonavista-Twillingate that the New Democratic party is as concerned as he is about preserving history of this country and about the residence of former prime ministers. I might also close my remarks by saying that the event to which he refers may occur sooner than he thinks.

The Deputy Chairman: Shall vote 313 carry?

Mr. Pickersgill: I put a question to the Prime Minister in the midst of my remarks.

Mr. Diefenbaker: I did not take it as a question. I thought it was more or less a philosophic discussion of the subject, which is close to the heart of the hon. gentleman. He wrote me in connection with this matter some months ago. While there has been nothing of a formal nature passing between the Canadian government and the British government, there have been chats about the possibility of at some time acquiring Earnscliffe. Having due regard to the way in which these matters are amicably determined between the United Kingdom and Canada, I am sure that if there was general agreement about acquiring it, the United Kingdom government would not raise too strong an objection.

Item agreed to.

Emergency measures—

315. Administration and operation of the emergency measures organization, $1,053,453.

Mr. Pitman: When the clock interrupted my remarks some days ago, Mr. Chairman, I was expressing the opinion that the government's measures, although we are in agreement with the extent by which they have been increased and their velocity has been increased, still are not geared to the kind of threat with which we are faced. We are not faced with a limited nuclear war but with a massive attack of proportions completely beyond anything which, in our imagination, we could expect from our knowledge of former wars.

During the defence debates the Minister of National Defence refused to give us details of this threat, and he did so quite properly within the bounds of his privilege. However, I cannot help but remind the government that, as was stated by the Leader of the Opposition and by the hon. member for Trinity, and as others in this House of Commons have suggested, statistics are available from United States and British sources which indicate a far different picture of that which we are either defending against or are expecting to survive. In the discussions on the defence estimates we mentioned the navy, as a part of its work and in conjunction with our allies, attempting to deal with a few conventional submarines when, of course, there may be many. Some of these will be nuclear powered, and completely beyond the capabilities of our vessels. In regard to aerial attack, we will not be dealing with a few bombers but a great many bombers. These will certainly have air to ground missiles capable of dealing with the defences that we have.

What we in this corner are attempting to get some idea about is the massive threat which exists. We feel the emergency measures organization, in the same way as the defence department, is carrying on a business as usual philosophy in connection with this whole matter of survival. In his television broadcast the other night the Prime Minister indicated to the Canadian people that he would be most frank with them in these matters of defence, foreign affairs and, I am sure, survival techniques also. I am sure the Prime Minister would not want the Canadian people to be deceived in this matter; that would be criminal. It is not in any way a scaring of the Canadian people to indicate the extent of this threat. If the defence of democracy becomes dependent upon ignorance of this threat, the defence itself will have lost all meaning because democracy will have completely gone.

Turning to the shelter program proposed by the government, I have suggested that it is based on ability to pay, which is the negation of our whole democratic system; because surely our belief is that every individual is of equal worth in the eyes of his government. I went on to read the letter of a nuclear physicist who is very concerned about this matter because of his experience as a physicist. I should like to read a few more paragraphs from this letter in which he visualizes this kind of nuclear attack.

Mr. Martin (Essex East): Who is the physicist in question?

Mr. Pitman: He is Mr. A. Charles Whittier, who has worked for 10 years with Atomic Energy of Canada, with the nuclear division of Canadian General Electric, and civilian atomic power development. He now has on hand two instruments, which have been patented, for the detection of radioactivity.

Mr. Pallett: Mr. Chairman, would the hon. gentleman indicate the name of the writer?

Mr. Martin (Essex East): He just did.

Mr. Pitman: It is Mr. A. C. Whittier. He says in his letter:

> Suppose a nuclear bomb drops a few miles away, and radioactive fall-out settles on the roof of a house. (This process generally takes between 1 and 48 hours after the explosion.) Consider first a case where the fall-out is sufficient to give a dose during a 2-week period of 10 roentgens in an unsheltered basement. In this case the occupants do not need a shelter for 10 roentgens is less than the 25 roentgens "threshold" dose. Now consider a case where the fall-out is much greater, so that the unsheltered dose would be 4,000 roentgens in 2 weeks. In this case, if the occupants had a shelter and stayed in it for 2 weeks they would receive a 400 roentgens dose: half of them would die in a short time, and the other half would wish they were dead. This means, then, that a shelter is only useful for protection against gamma radiation provided the dosage received in an unsheltered area is between 10 roentgens and something considerably less than 4,000 roentgens—say 1,000 roentgens—in 2 weeks...
>
> Something like a 10 roentgens dose will arise from the fall-out from a 2.4 kiloton atom bomb if this fall-out is distributed uniformly over 1,000 square miles; 1,000 roentgens will arise from a 240 kiloton fall-out over the same area. Therefore a fall-out shelter will be useful only if the fall-out density is between 2.4 and 240 kilotons per 1,000 square miles.
>
> It has been estimated that the U.S.S.R. has the potential to mount a surprise attack that would give a uniform density of about 5,000 kilotons per 1,000 square miles over the whole of the U.S.A. Of course in an actual attack the density in some areas would be much higher, and in others much lower than 5,000. If a 1 megaton bomb were dropped, what chance is there that the fall-out density would be conveniently between 2.4 and 240 kilotons per 1,000 square miles at the house in question?
>
> The $500 fall-out shelter has no means of filtering the air which the occupants must breathe. This air will be loaded with radioactive strontium, iodine, and other fission products. Just how lethal these would be depends on the situation.
>
> Because of the foregoing I do not think an individual will be affecting significantly the probable lifespan of his family by spending $500 on a basement shelter.
>
> I feel that $500 per family could be much more effectively spent if done collectively. By far the most effective protection against fall-out is afforded by large public shelters stocked with food and water, and with proper air filtering facilities. These shelters would also have medical equipment, radiation detection instruments, water purification equipment and decontamination gear, along with people qualified to use these articles.

Then he goes on to refer to a study which was made in the United States in the case of an attack where the fall-out is five kilotons per square mile. He says:

> The figures apply to those who are still alive after the blast, fireball, and immediate irradiation have passed on.
>
> In an unprotected community, 90 per cent of the living would die. In a community full of $500 basement shelters, 80 per cent would die. In a community with shelters prepared from modified buildings—

—as the government is going on with today—

> —50 per cent would die, and in a community with special fall-out shelters, less than 1 per cent would die.

This is a matter which the Canadian people should be very sure of, and I think there are a number of problems to deal with in regard to these basement shelters. The attack must take place, we assume, between 6 p.m. and 6 a.m., when people are conveniently at home. I can imagine the holocaust that would take place in a city such as Montreal or Toronto if the attack took place during the working day when people were concentrated in the centre of the city.

That is why we feel we must either prepare for the kind of war which is to come or —we are not suggesting this as an alternative —not prepare at all. It is not a matter of terrorizing but of facing the issue courageously. In other words, let us just not spend a few million dollars to create the impression that we are doing something—

Mr. Pallett: Mr. Chairman, in the letter from which the hon. member read there was reference to a study which had been made in the United States. Did the writer identify where that study had been carried out?

Mr. Pitman: No, he does not identify the area. In terms of populations, similar figures were given to United States congressional hearings.

Mr. Pallett: What was the date of the hearing?

Mr. Pitman: I am sorry; I do not have that information. I will be very happy to try and obtain it.

In an article in the Ottawa *Citizen* of September 13 a very well-known nuclear physicist, the famous physicist of the Lawrence radiation laboratory of the University of California, Dr. Teller, gave the method by which there could be some defence against nuclear war. He was referring to national survival. Of course, he made these specific suggestions to the government of the United States, but these are the things he suggests and these are the only ways he suggests by which we can really survive a full-scale thermonuclear war. First, building shelters against fall-out and against the blast and fire

from nuclear bombs; second, stockpiling surplus food, machinery, machine tools, generators, building materials—the essentials to generate power, start factories, build more machines, transport people and goods, and assure communications; third, planning organized efforts to carry people through the terrible early days, and the hard, demanding, co-operative labour to rebuild modern civilization.

Then, of course, the sobering fact comes out that it would cost billions of dollars, perhaps an average of $4 billion for some years. I think this is perhaps a cost which the Canadian people are unwilling to accept. It is not going to be politically popular. However, other nations have done this. Sweden has built public shelters for its people. It is argued that these are the same things which the United States is doing. We accept this argument, and it has a telling effect. But I am sure if the Americans are going to be decimated, that is no argument that the Canadian people should also be destroyed. We know the extent of the fall-out that has occurred so far from tests that have been conducted. If an anti-missile missile is developed in the next few years, surely the explosion which will take place over Canada as we defend against this attack will create fall-out.

What I always have in mind, as do these authorities to which I have referred, is that we have to deal with the future. Even if the Minister of National Defence is right in saying that only a small percentage of the megaton load which the Russians have can be effectively used against us, that may not be the case over the years from now on. Surely it is not wise to tell Canadians to build $500 shelters which might be completely useless by 1965 or 1966. Assuming we have a population of 18 million and that an average of 3 or 4 people use each shelter, we are asking the Canadian people to spend between $2 billion and $3 billion of their own money on measures which may not offer them adequate protection. People should have some right to hope that survival is possible under these conditions.

The Secretary of State for External Affairs indicated that the years to come might well be years of sacrifice and austerity. Perhaps this is an area where we shall need to make sacrifices in future, as well as in connection with the Department of National Defence itself. I must say that my views have definitely changed on this subject. At one time I looked upon shelters as a colossal waste of time; I felt that a nuclear war would cause such tremendous devastation that shelters of any kind would be irrelevant. However, I now think we have a duty to civilization, a duty to humanity, to ensure the survival of some percentage of the population.

I agree with the Prime Minister in his statement that efforts must be made to make sure the government carries on. However, I think the people of Canada are somewhat concerned that we may be more interested in ensuring the survival of the upper levels of government than we are in the welfare of the average man. I know that some years ago the story was that we should never have another war because it would mean that those who started it would die in it. Now the people are losing that feeling of confidence. They are no longer confident that the people in the top echelons of government are as concerned about the people at the bottom as they are about themselves.

We can reach a decision with regard to building public shelters. The cost will be fantastic, but surely we must be realistic about the nature of the threat and the cost of meeting it. We may disagree with many of the things which Bertrand Russell says and does, but there is one statement he made with which I am sure we all agree, namely the statement that since Adam and Eve ate the apple, man has never refrained from any folly of which he was capable. I believe we must make some kind of response to the threat which faces us. However, both the threat and the nature of our response must be assessed realistically and the public must be enabled to look upon the emergency measures organization as an organization sincerely determined to ensure their survival.

Mr. Jung: In the course of a statement dealing with the emergency measures organization, as reported on page 8293 of *Hansard* for September 13, the Prime Minister advised the house that in planning for the survival of our people accurate public information was of vital importance.

With that statement I agree completely. There is, however, one facet of educating the public on which I should like to speak briefly. From conversations with some of my constituents I have the impression that among the majority of men there is a growing awareness of the need to learn all we can about the consequences of a nuclear war. However, in the case of some women—and I emphasize the word "some"—there seems to be a defeatist attitude which leads them to throw up their hands in despair and say there is no point in preparing shelters because if even one nuclear bomb were to drop on us there would be nothing left.

Possibly women look at the problem of survival in a different light from men. Consciously or unconsciously a woman's thoughts and actions are directed at perpetuating the human race, and unless she can see some

security for her family she may feel that there is no point in even trying to survive. In parades and demonstrations against the nuclear bomb and the building of shelters the majority of those who take part are women and children; at least this has been the case in all the demonstrations which I have witnessed in Vancouver.

We can understand the horror with which women, particularly, regard a nuclear war, but I suggest that the government must impress upon all of us that we have a duty to survive. It makes no difference if nine tenths of the population are wiped out. It makes no difference that the country may be completely devastated. Those who remain must carry on. They owe it to themselves as human beings and as citizens of this country to do so. God forbid that we should have a nuclear war, but if there is to be that possibility each one of us must prepare ourselves for that awful event. Once we admit the danger, we can devote our energies and resources to meet that crisis, instead of wasting our time wringing our hands in despair.

I knows as well as anyone what could happen in the event of a nuclear war, because I attended the one month survival course at the civil defence college at Arnprior, and I believe I am the only member of parliament to have done so. Having attended that course I am less afraid of the consequences of a nuclear war, because I know what to do in an emergency and I am much more confident of my own chances of survival. No matter how huge the loss or how great the suffering, we must go on. And without the women of our country, Mr. Chairman, there would be very little reason for us to survive.

I hope that in the months ahead the government will develop a program which will help those women who now hold the conviction that there is no purpose in learning how to survive, to believe once again that there is still very much to live for, and that by taking a few precautions they can, in the absence of a direct hit, ensure their own survival.

Miss LaMarsh: I had hoped to make a few remarks with respect to this subject. Although the situation was well covered by the statement made on behalf of this party by the hon. member for Essex East there are certain observations I wish to make, particularly in the presence of the Prime Minister. I am glad to hear that the last speaker is an expert on the feelings of women in connection with this and other matters. Despite the fact that I am a woman I do not at any time suggest that I am an expert on the feelings of all men with regard to this or any other problem.

Mr. Jung: On a question of privilege, may I remind the hon. lady that I referred to "some" women and emphasized the word "some". If I can undertake to speak only for some women, does the hon. member for Niagara Falls imply she speaks for all men?

Miss LaMarsh: I can only undertake to speak for those who sent me to parliament, and I am not always sure I am able to do that.

With regard to this matter, I have had correspondence from many individuals, and most of the authors happen to be women. They are, of course, the people most concerned. They are the cradle of civilization, as they have been in the past. They are particularly concerned, because they feel this is a problem which is more likely to affect them since they will be remaining at home during the day and during the evenings. They are concerned not only for their own children but for the children of all mothers all across the world.

It is because of this concern that such groups as the Voice of Women have arisen across Canada. This is not a left wing organization, though the hon. member for Vancouver-Kingsway referred to it as being such in a debate a week or so ago.

Mr. Browne (Vancouver-Kingsway): May I inform the hon. lady that I never made any such a statement in the house. I read a statement from a publication which made that claim. I never made any such statement personally.

Miss LaMarsh: Well, the hon. member read it with apparent approval, and it has caused concern to many of the members of that organization, which is not and has never been considered a left wing organization. The article read by the hon. member was one which referred to them, but it does not convey the impression which he may have erroneously left.

This is the reason organizations such as the Voice of Women are springing up. It is felt that women outside of public life, who constitute at least half of our population, can actually participate in shaping the future of the world. They are not a lot of wild-eyed, pie in the sky people; they are responsible people who care, and I suggest that this is the sort of movement which elected representatives should be pleased to see becoming established.

Here we have interested citizens who are coming forward to assist their elected representatives. Further than that, organized

groups of women and women throughout the country of course are greatly concerned. They have listened to and read with great care the statements of the Prime Minister within the last few weeks on the proposals which this government is going to undertake to assist in the survival of the people of Canada. But to those in Niagara Falls, and indeed, to those in Ottawa and in other major centres, that is in what are called the 16 target areas—I do not know whether these are in fact in the 16 target areas, but many newspaper reports in the past have indicated that Niagara Falls is listed as one of the primary Canadian targets—the Prime Minister's proposals seem far fetched with respect to the protection and assistance which will be given to the people of Canada.

In his statement the Prime Minister mentioned that a prototype bomb shelter was to be built. This is the first reference that I have been able to find to a bomb shelter. My understanding is that in case of a direct hit from a nuclear bomb it is unlikely that anything would give adequate protection unless it was something of the type of shelter which is being set up to ensure the continuation of government. Certainly nothing which an individual could hope to build would be sufficient against a direct attack.

In many reports, and particularly in one by Dr. Edward Teller, to which the hon. member for Peterborough referred, which was widely circulated through the offices of the Associated Press, it is said that one third of the American people—and I imagine this figure would apply to Canada—could be protected well enough by fall-out shelters. Dr. Teller went on to say that one third would be in trouble, but they could have a 70 per cent chance of survival if given decent shelters. I assume that these people would require bomb shelters. Then he went on to say:

> One third of our people would not even be in danger, because they don't live near targets the bombs hit.

The Minister of National Defence told us it was likely that only one or two bombers would get through. If any bombs were dropped on Canada they would be intended for the 16 target areas, and some concern should be directed toward those target areas.

I am asked by my constituents what is their position. I should like to tell the Prime Minister that two women from my area went to the Canadian national exhibition this fall to see what might be done with respect to fall-out shelters, and they went with the derision of their husbands and their neighbours ringing in their ears. They spent the afternoon there and obtained all the brochures and information. As they were about to leave they were asked where they were from. When the man who was in charge was told they were from Niagara Falls he took away the pamphlets and said, "These are of no use to you; you are in a target area." They came to me as their representative and said, "What are you and what is the government doing with respect to those of us in a target area. Are we in those 16 centres across Canada to be completely abandoned?" I was unable to give them any answer.

There are many in the fringe areas, who by no stretch of the imagination would expect to be struck by a bomb, who have considerable apathy about building even a fall-out shelter. I think it represents more of fear than of apathy. They do not like to hear discussions, and they feel there is really no reason to do anything because, as many women say, "Why should I come up? My husband might be gone, my children might be gone. I would not want to survive in what was left of the world."

Women have a great deal of resilience and courage. In past wars they have been shown to be as strong as or stronger than the men who stood or fell at their sides. Even though they express those opinions they will get out and try to do something to protect their children. But this is the sort of letter I have been receiving, and I should like the Prime Minister and those responsible for the emergency measures organization to consider it. This is a letter from a woman in Niagara Falls. It says:

> But even if my neighbours and I had basements and could afford to build shelters, it still wouldn't help our families. Take mine for instance. Three of my children are in school. They attend three different and widely separated schools. The youngest is seven. His school, which is nearest to home, is a good 25 minutes walk from our house. There are no nearby fall-out shelters to which they could run—there is no protection whatsoever for our school children. A nation's future is its children. In a nuclear war Canada's future will be wiped out. My husband is in construction work. To what public shelter could he and his fellow workmen run? In the meantime, I am to sit home in my (theoretical) fall-out shelter for two weeks and go quietly mad, knowing all of my family and most of my neighbours are surely dead.

In letters to the press this same feeling has been expressed again and again; would it be worth while to survive if everyone that one holds dear cannot survive? Even those who would wish to provide themselves with shelters of one kind or another have this problem, and I quote from two letters which I found in the letters to the editor column of the Toronto *Star*. I substitute the word "government" for what is here:

> Will government please tell a $50 a week truck driver from Cabbagetown—

May I tell those who are not familiar with the Toronto area that that is what they mean.

—with a wife and two kids and $22 a week rent where to pick up $1,200 for a shelter? Maybe we should try a finance company.

In the other letter from Trenton we find the following:

I make $65 a week and have a wife and seven children. A dollar down and a dollar a week is our speed, and I don't think Khrushchev will give us the time.

These are the people who care, the people who wish to do something. I would say they are the people who deserve to be assisted. If governmental assistance is to be provided for those in non-target areas for a fall-out survival shelter, more must be done to assist than merely to provide assistance for a loan, and something important must be done with respect to those in target areas. If there are evacuation schemes, and they are feasible within a possible 20 minute warning, are they known to the municipalities and the people concerned?

According to press reports the Clerk of the Privy Council and indeed the Prime Minister are building fall-out shelters. There have been press reports that these two gentlemen will not be in Ottawa. Are they to be prewarned of any sort of attack upon Ottawa? If so, I assume that their shelters must be built either as an incentive to show the people the way, while they know they will not have to use them, or they are built to provide what shelter they can for those of their dependents who will be left behind.

I am not sure whether Ottawa is a target area, but I would assume that it might very well be. If it is a target area, I ask this question. Is the provision which they are making for their dependents going to be in any way adequate? I ask them to consider the plight of those hundreds of thousands of people in the most heavily concentrated areas of our population in Canada, those people where there is a heavy concentration of secondary industry, of power development, of rail or other transportation facilities; those people who will be the first to die in Canada should the bombs drop and who now, before they die, cry out to the government for support, for aid, for a plan for evacuation.

Mr. Regnier: Mr. Chairman, the voices of members of parliament today are music to my ears, because I have been talking about civil defence since 1958. Therefore I will be very brief. I am happy to say that it feels much better not to be a lone voice in the house. I want to recall some of the words of Sir John Hodsoll, co-ordinator of civil defence for NATO, who visited Canada in 1955. I believe he stated that any bombers that may be shot down over this country will at the same time set off thermonuclear bombs.

As a matter of fact it may be safer if one lives in a target area, provided our defences are good because this means that the bombers will fall on other areas, but any bombs or missiles carried by these bombers will create dangers for all those in the area where the bomber or missile is shot down. The more effective our defence, the more dangerous it will be for Canadians generally at any point in Canada. Canada will likely be the battlefield in the next war, and we will have to take the brunt of a thermonuclear attack. If our southern friends are capable of shooting down these bombers all over Canada, Canada will be hit by all these bombs and Canada will be the most dangerous place in the whole world.

Mr. Pallett: Mr. Chairman, this debate has been of considerable interest to me, because on the occasion of exercise Tocsin early this summer I had the responsibility of being the federal government representative in the province of Ontario. I can report to hon. members that in my opinion the exercise was a first class course of instruction in the type of co-operation that can be achieved among different levels of government in working to achieve a common purpose. The participation by both federal and provincial officials in the exercise was of the greatest use in indicating to them at governmental level the responsibilities that would be theirs and the way in which those responsibilities could be carried out.

I must express at this time my appreciation of the participation of Premier Frost and his cabinet, most of whom were present at the provincial headquarters at Camp Borden, as well as my appreciation of the participation of the large number of provincial members who showed interest. After all, this is one matter in which the provinces must indicate a continuing interest because it deals with the fundamental area of property and civil rights, damage to property and the survival of the person in the form of the individual.

I was also most interested in the split speech of the hon. member for Peterborough. When he first spoke on September 13 I was ready to excuse some of his remarks because I thought he might have entered the debate on the spur of the moment and might not have had a chance to carefully examine the letter to which he referred. However, I thought that between then and now he would have availed himself of the expert opinion that can be had before putting on the record a letter that is incomplete and before accepting the statements contained in that letter and

endeavouring to attack a responsible program without first having availed himself of the information that is at hand.

I should like to deal with Dr. Whittier's letter as I heard the hon. member read it, and some very significant omissions. In his letter Dr. Whittier criticizes the pamphlet "Eleven Steps to Survival" and says that a basement fall-out shelter is only 90 per cent effective whereas the pamphlet indicates that such a shelter is 99 per cent effective. What the doctor and the hon. member have omitted to indicate is that the reference is to a basement shelter, that the protection afforded by the house itself is equivalent to 10 per cent, and as 10 per cent of 90 is 9 you therefore arrive at 99 per cent.

The same thing applies to all the other arguments advanced by way of criticism of this type of shelter. The letter refers to radiation areas equivalent to direct blast, not to such areas as those for which the fall-out shelter suggested by the emergency measures organization is designed. This shelter is designed to deal with the fall-out to which it is anticipated that Canadians would be subjected in the unlikely event that there was ever an atomic explosion in this, or a neighbouring country. The hon. member has completely overlooked these things. I draw to the attention of the pedagogue from Peterborough that one of the rules of pedagogy is that you know your facts. In this instance the hon. member has completely failed to substantiate the letter he received. Perhaps he was overly impressed with the degree the doctor holds and did not go into the merits to see whether the criticism advanced by the doctor is warranted.

Mr. Pitman: On a question of privilege, Mr. Chairman, I should like to say I have checked some of these facts with other physicists who have experience in this field. Furthermore, he is dealing with fall-out shelters not in a blast area. As far as blast is concerned, we all know that these basement shelters are of no use whatsoever, so I think the hon. member should be fair.

Mr. Pallett: I am endeavouring to be fair, and I point out to the hon. member that he was dealing with fall-out in a blast area where the concentration is the highest. The hon. member will have an opportunity to speak again. Surely he does not suggest that everywhere in Canada the degree of fall-out suggested by Dr. Whittier is going to take place. If he does, then he just does not have any conception of what is going on, and I suggest that he devote himself to attentive reading of the material that is available to find out what is going on in this particular field. The $500 basement shelter to which he refers provides an opportunity for the individual to survive, and after all we are talking about the survival of the individual. As a socialist he does not understand individuals.

I was rather surprised at the remarks of the hon. member for Niagara Falls, who talked about central survival systems. Man's basic philosophy is his own survival and the survival of those who are dependent on him. This is a method by which under fall-out such as is anticipated the individual man and his family, if they are home at the time anything happens, can have the assurance of some protection. This is an effort that the individual himself can make. The cost is an estimate. A man can do it himself and it will not cost nearly $500. If he wants to call in a first class contractor then it will cost that much. This is a constructive and forward step taken by this government to aid an individual in doing what he can to help himself, in taking those steps which are necessary to protect himself and his family from fall-out that may result in the unlikely event that an atomic explosion ever takes place in this country.

The hon. member for Peterborough, in what I might term his multibarrelled peashooter criticism, endeavoured to bring the Associate Minister of National Defence into this debate by referring to his suggestion that limited war was unlikely. The hon. member denied, therefore, the very principle of the N.D.P. or, as the hon. member for Bonavista-Twillingate terms it, the S.O.P., that there will not be an atomic war. The hon. member should be consistent, but perhaps it is not within the realm of possibility for him to be consistent. If they are right in their defence policy, in which they say there will not be an atomic war and no steps should be taken to deal with an atomic war, then he should not get up in this house and try to alarm the Canadian people by saying there is going to be massive obliteration by atomic bombs of this country. In doing so he surrenders completely his responsibility as a member of this house. The speech which he made was self-contradictory of the views of the party to which he professes to belong.

Since hon. members are criticizing the things we are doing in this country. I would refer them to the September 25, 1961 issue of *U.S. News*. I do not know whether this is where the hon. member obtained his information about Dr. Teller's views, but they are mentioned here. What are other countries doing in this respect? I quote:

> Japan, the only country that actually has experienced atomic bombing, has no national plans for defending her people in a nuclear war...
>
> The British show less concern than Americans about the danger of a nuclear attack. Britain's

civil defence corps is dying on its feet because the government has not been able to get enough people seriously interested in it...

French optimism: Nuclear bomb shelters are practically unheard of in France. A French official says: "Most people here think nuclear war is unbelievable."

West Germans show no interest in building bomb shelters...

In Belgium, Holland, Sweden and Italy you find the same story—nobody building shelters for a nuclear attack.

Mr. Martin (Essex East): In Sweden there are all kinds of shelters.

Mr. Pallett: The hon. member will have his opportunity to speak. These are responsible statements made about the other western countries which are not advancing at the same rate as Canada with respect to civil defence. We know what we are doing in this country with respect to civil defence measures.

The hon. member for St. Boniface indicated that in the event bombers were shot down, there would be atomic explosions as a result. I can tell him that my information is quite to the contrary; these bombs will not explode. There have been instances, as we know, in the United States where bombers have actually crash landed and the bombs have not exploded.

Mr. Regnier: May I ask a question?

Mr. Pallett: I know the hon. member is an expert in this field and has made a lengthy study of these questions. The technical information leads us to believe that the bombs would not explode unless they had been activated and that, of course, would be highly unlikely in the event a missile or bomber were shot down.

This is a good program for individual participation. It is a program that needs the assistance of the members of this house because it deals with the survival of a man, his wife and his family. It is disconcerting to have a member stand up and criticize, without foundation, a program that is designed to help a man and his family. The hon. member for Niagara Falls mentioned the Voice of Women, an organization is this country. I refer her to the most recent Russian news letter, which says that the Russian women are in full support of the Russian atomic explosions. This is something that should be brought to her attention.

Mr. Martin (Essex East): Why contrast the two. That is unfair to Canadian women.

Mr. Pallett: I bring that to her attention.

Miss LaMarsh: I am not a member of the Voice of Women, but I draw the attention of the hon. member to the fact that there are a number of responsible women who are, and one of them is the president of the Progressive Conservative organization.

Mr. Pallett: Not any more.

Miss LaMarsh: In any event, the purpose of the organization is to join with the women of Russia, the United States and the other countries in the world in an attempt to eliminate wars. This is not an attempt to subvert this or any other government, but it is an attempt to reach from one woman to another across the nations and as such it should not be condemned.

While I am on my feet may I ask the hon. member if what he is proposing is that while governments wage war, individuals may protect themselves? I have asked the question of the Prime Minister and perhaps his parliamentary secretary could answer it. What is being done about those who cannot protect themselves and who are in likely blast or target areas?

Mr. Pallett: I point out to the hon. member that I am not offering any criticism of the Voice of Women. I am merely pointing out, since she mentioned their name, that the voice of Russian women is in support of atomic testing in Russia.

It is just about one o'clock and I should like to conclude, if I may. This is a program for the individual who can, with his own hands, achieve some measure of protection against the fall-out dangers inherent in an atomic explosion.

Mr. Martin (Essex East): What about the children in school; what can they do?

Mr. Pallett: This basement shelter program is designed to give to a man and his family those first few days of survival that are so essential.

Mr. Winch: This is absolute nonsense, but may I call it one o'clock?

At one o'clock the committee took recess.

AFTER RECESS

The committee resumed at 2.30 p.m.

Mr. Winch: At the outset, Mr. Chairman, I must say that I listened with a good deal of amazement to the oratorical outburst of the hon. member who spoke previously. I refer to the hon. member for Peel. In this item in the estimates of the privy council we have before us one of the utmost importance and one which must be considered, in the light of its presentation, the allocation of money and the statements made by the Prime Minister and others, as one that is

being considered on the basis of national survival in the event of an all-out nuclear war which we hope and pray will never occur. I was therefore not only amazed but surprised and disappointed by the attitude taken by the hon. member for Peel. As far as I am concerned, I can only interpret his speech as being one made from the position of an apologist of government policy and proposals on expenditure, as one put up as a sharpshooter endeavouring to shoot down members who take this matter seriously and who want to ask serious questions and to get constructive answers. In other words, it could only leave with me the impression, on the basis of what he said, that the government policy and proposal is paper talk and poppycock and that basically what we in this House of Commons and the people have received up until now is propaganda oratory.

Mr. Churchill: No; that is not right.

Mr. Winch: The minister will have his chance just as I am having mine. The reason I say that in particular is to be found in the opening remarks of the hon. member for Peel when, in substantiation of his support of the government's approach, proposals and policies on national survival, civil defence, or call it what you will, he based his experience—and these were his opening remarks—on what he had seen and what he had knowledge of from having had the opportunity of taking part in exercise TOCSIN.

The Prime Minister did as I think he should have done with regard to exercise TOCSIN. He announced it in the House of Commons. He told us that it was to be a realistic exercise in facing the problems of nuclear attack against Canada, with bombs falling on Canada, in order to demonstrate just what could be done on a dominion-provincial basis to carry on the functions of government in Canada. The Prime Minister was good enough to invite two members of the opposition to take part in exercise TOCSIN—and I want to thank him for the invitation—and to be among those evacuated from Ottawa to Petawawa. I was one of those who were invited and I went all through that exercise. It is because of what I saw and because I was given the right and opportunity to ask questions and get answers—and here again I wish to thank the Prime Minister—that I am speaking now. I say very seriously that we must consider just what are government policy and proposals for survival, especially in view of—and I am coming back to the hon. member for Peel—what I saw on exercise TOCSIN, which was a federal exercise from Ottawa to Petawawa, designed to carry on the operations of government, carry on communications with all the provinces, to maintain the economy as best we could and to provide for the defence of Canada. May I very briefly run through that experience which was a practical one or a tactical one, as we were told by the Prime Minister.

First of all, a train must be on 20 minutes call at all times—and it was there—in order to move the government or the ministers, their deputies and the administrative heads, the chief personnel of the army and the civil service, to the only underground shelter we have and which is located at Petawawa. It takes a couple of hours to get up to Petawawa. I imagine anyone who is going to attack Canada will have saboteurs here. At least I imagine they would do so. First, may I say that there was no security check whatsoever. I never saw anybody challenged.

Mr. Diefenbaker: They saw you coming.

Mr. Winch: Then I am glad they understood my loyalty and my patriotism and recognized me. However, I saw many whom I did not recognize and I never saw them being checked. I know the premier was not there. That was very unfortunate, because he died at five o'clock in the afternoon.

An hon. Member: Which premier?

Mr. Martin (Essex East): On a point of order, Mr. Chairman, we may say many things about the Prime Minister, but it would be unfair to say that was true.

Mr. Winch: Mr. Chairman, I am not quite sure what the hon. member said. Did he say it was unfortunate?

Mr. Martin (Essex East): No.

Mr. Winch: I did not think so. However, according to exercise TOCSIN, Ottawa was wiped out shortly after five o'clock that afternoon; and you, sir, had stayed in Ottawa. There you have this practical, tactical exercise on survival conducted by the federal government, with all these civil and governmental operations.

During the time spent between Ottawa and Petawawa, no communications were kept on the train. So if you had been there, sir, according to this tactical exercise all your heads of government, your chiefs of staff, your ministers, your deputy ministers and your chief personnel would have been completely out of touch with what was happening in Canada during that period.

This was a tactical, practical exercise, so I asked where the communications were kept on the train. The answer was that they did not know whether they had any, but they most likely had. The government wanted

to keep down the expense of this exercise and that is why there was no communications system.

We arrived in Petawawa. There we were immediately told what the situation was, and of course your cabinet, sir, and everybody else would have been completely out of touch during the time it took to travel from Ottawa to Petawawa. We were briefed on the situation. Then we were taken around and shown all the administrative set-up. Then we received the warning that just outside Petawawa there had been an atomic explosion so we had time, because it takes a little while for the radiation to come down, to go underground. This tactical, practical exercise was truly an experience. The chief personnel of the federal government, sir, your chiefs of staff, your heads of police were all there and in all probability would have had to stay there for up to 2½ weeks because this explosion was just outside Petawawa.

What did we find? We learned at about 10 minutes after five o'clock I think it was—I may be a little bit out in the time—from the teletype underground that Ottawa had been bombed. If I remember correctly, there were 60,000 dead and I do not know how many injured. But Ottawa was out. Underground in Petawawa there was the administrative control of all Canada, and nearly all of them came from Ottawa. I asked one question immediately, "Ottawa is out?", and the answer was, "Yes". I asked, "What is the reaction of all these people here? Their wives, husbands, children, sweethearts and parents are all dead". This information had just come over the teletype. The answer I received was, "Well, they are just carrying on with their work". Like the blazes they would carry on with their work, if that was the real situation. I asked what was the situation to take care of the psychological factor involved in what had occurred. I was told that this had not yet been considered.

If this had been a real attack, sir, these people would probably have had to remain underground for up to 2½ weeks, if there were radiation outside. I asked, "That is why you are here, and you are not going to open the doors. Where are you going to put your dead?" I was shown a refrigerator which would hold one corpse.

An hon. Member: Did you try it for size?

Mr. Winch: There was just this one refrigerator. I am being very serious, sir. This was the TOCSIN exercise as I saw it.

An hon. Member: Don't be ridiculous.

Mr. Winch: I am not being ridiculous; I am telling the committee what I saw. In this situation communications all across Canada would be of the utmost importance. We were shown over all the communications system. They were proud of their system and they had reason to be. But this they did tell us, Mr. Prime Minister, that it was not the latest, most up-to-date, efficient equipment.

Moreover, all the communications mechanism and teletypes were underground, but the actual dispatch system was above ground. This was an old building that had been converted for this purpose. There may be some other building under construction at the moment and I understand there is, but I am talking about the TOCSIN exercise which was carried out, and the government of Canada would have to continue.

If there were any leakage of radiation it would be in the corridors, and people would have to live for a long time in the offices and rooms. However, that aspect of the matter had not been planned very well. There was air conditioning in every office and every room, and all the air was filtered. But there were no tight doors, so there was ventilation that could not be shut out by closed doors. Therefore it was the same as being wide open, and these people could not have been protected in any way in the event of radiation escaping into the building. It cannot be said that this is ridiculous. The hon. member was talking about exercise TOCSIN. This is what I saw in the exercise. These are the questions we asked. This is the type of planning and engineering carried out by the government. This is how the money would be spent.

Perhaps more important than that is this matter. I do not think we have yet heard any statement from the Prime Minister or others in the government about this. I wonder whether or not since TOCSIN No. 1 the government has been able to work out the relationship with other governmental jurisdictions so that in the event of attack and national survival operations being put into immediate effect government could be carried on.

Let us not forget this. In this house we have listened on many occasions to speeches on constitutional jurisdiction, jurisprudence, control and matters of that sort. The hon. member for Peel was the federal co-ordinator, I believe, in Manitoba.

Mr. Pallett: Peel is in Ontario.

Mr. Winch: I know, but I thought the hon. member was the federal co-ordinator in Manitoba. During the TOCSIN exercise I asked what was the actual statutory authority of a federal co-ordinator.

Mr. Diefenbaker: The War Measures Act.

Mr. Winch: I asked whether the authority was clear under the War Measures Act. I was told that they thought it was. A message came in from all the provinces on the devastation which occurred according to this exercise, and they needed, I think it was 15,000 men to be moved from one area to another. I asked the question, "Where is the statutory authority when a person is endangered by being moved to an area of devastation?" While I was there, over the teletype came a request for the movement of 12,000 workers from one area to another. This I can tell the Prime Minister. The answer I got when I asked that question was, "That is a problem and we are working on it".

I should like to know whether or not that problem has been worked out? I am only telling the committee what I was told. They said they thought it would require legislation of the House of Commons. I think we should know these things because these are the types of questions that were asked on that TOCSIN exercise in which we were invited to take part by the Prime Minister. These are the things we saw; we just did not hear about them. I am not talking about something I have read in the newspapers; I am talking about something I saw, and I only saw it because of the courtesy of the Prime Minister in allowing us to go on that trip. These are some of the answers I received to the questions I asked. I think we are entitled to more detailed information about the program, about the policy and its effectiveness.

I think the hon. member for Peel made the most serious mistake of his life when he criticized what was said by the hon. member for Peterborough, who was only asking the government to face reality and answer some of the questions which are in the minds of some of the people of this country. It is not good enough to tell the people in a blatant manner what they should do. The average individual in Canada is not in a position to build a shelter. I represent a strictly working class constituency—a heavily populated constituency in the middle of Vancouver. I imagine this would be a target area, so-called, in the event of an attack. Very few of the people who live there could afford to build a shelter which might cost between $500 and $900. Moreover, the majority of the people who live in my area do not own their own homes. They rent their accommodation, and the average man is not going to spend upwards of $500 building a shelter in a home he rents—a home in which he may not be living in a year's time. I have yet to hear of one landlord who will put one in.

I think we have to face this situation. In addition, we may as well stop this stupid saying that the position today is better than it was in past years. Every well informed writer I have read on this subject says that any war which starts out as a conventional war is likely to develop into a nuclear war, and this means a nuclear war without restriction. This leads us to the marvellous phrase used by the Prime Minister—"coexistence or non-existence". The item we are now discussing is provision for the event that we may have to face the possibility of non-existence. From what the hon. member for Peel outlined, I cannot see this government, its ministers or their deputies continuing to exist in the event of an atomic attack, judging by what I saw in Petawawa, if that is to be their protection. That was a tactical exercise, I believe, and I think I am correct in saying that when it was over there were only 11 members of the House of Commons still alive. I never did find out whether that would mean I would have any spot in the administration, but that is by the way. These are serious matters and we approach them in a constructive manner. I am confident at any rate, that the people do not want any shilly-shallying. They are prepared to hear and discuss hard facts. They want to know whether there is any possibility of survival in the event of a nuclear attack on Canada. If there is, they want to know what is to be done and how they can do it as individuals. I believe that the individuals in Canada cannot do it. I doubt whether even Canada as a nation can do it with a population spread over 2,700 miles and up to the Arctic circle. We are asking not for bombast but for realism, honesty and frankness in dealing with the public so that they may have a better understanding of the picture. Though I have no authority for saying this I have no hesitation in telling the committee that if we could get a practical program, the money to operate it and the means to operate it in the event of a world catastrophe which we all hope will never come about, then the Prime Minister would receive the wholehearted support of members of this group because we want to see people live and not be evaporated, as was mentioned by a great speaker in England, in the event of a world holocaust of nuclear death.

Mr. Regnier: This morning I made a quotation from memory concerning the danger from bombers or missiles which might be stopped by our own military defences. I mentioned Wing Commander Sir John Hodsoll, chief civil defence adviser to NATO.

I should have mentioned Dr. Alvin C. Graves, scientific adviser to the Nevada test site operations, Los Alamos, New Mexico.

On August 1, 1955, this is what Dr. Graves said while addressing a convention of mayors and representatives of municipalities:

> People in Canada have a problem which is somewhat different from the problems of the people in the United States. The reason for that is the geometry of the earth and the line-up of the powers of the earth today. The reason is that if an aircraft were dispatched to attack the United States under present circumstances we would expect it to come over the North Pole of the earth down from the Arctic regions and down through the plains or the mountains or eastern portion of Canada, attack some targets in Canada, attack many targets in the United States. The plan would be to try to shoot as many of these planes down as possible.
>
> I would like to say one thing, though. When those airplanes are shot down they will carry with them the atomic bombs or thermo-nuclear bombs with which they were dispatched. What of these weapons? Will they crash to the ground and do nothing? I cannot answer that question since I do not know the Russian plan, but it is perfectly possible to put a mechanism on an atomic or thermonuclear bomb such that it will detonate when it drops below a certain altitude. It is perfectly possible to provide that it will detonate when it strikes the ground.
>
> I think we would be more than foolish if we did not at least assume that the Russians might do that.

Those are not my words. They are the words of an expert telling Canada and Canadians what to expect. I know the hon. member for Peel has explained that full protection will be provided against atomic explosions in the event of accidents in peacetime to planes carrying nuclear weapons. However, the Russians, sending over planes or missiles to bomb targets in North America, would not want to waste their bombs; they would want them to explode no matter where they might fall.

I should like to congratulate the hon. member for Vancouver Centre on the wonderful address he gave this morning. I should like to congratulate him on being the only member of the house to take the civil defence course at Arnprior. I know that if the people of Canada were properly trained and taught how to safeguard themselves against danger they could face an emergency without panic. They would be able to do the normal things when this emergency would begin. I suggest that no school teacher should be given a degree or permit until he had taken a civil defence course and that no school student should be given a certificate of promotion until he or she had taken such a course. I think that is the place to start—in the schools. Let us train all our children. We hope the danger will not come soon, but it may. Let us not wait until those students have become adults. They should receive full training with the least expense. Teachers might be given an extra allowance by the government in order to take the training. They should be paid an allowance for teaching these extra subjects in the schools. These things are being done elsewhere. I suggest this is the time to start.

Mr. Jones: Mr. Chairman, I was very interested to note the reaction of the hon. member for Peterborough and the hon. member for Vancouver East to the government's proposals in the field of civil defence. The Prime Minister is to be congratulated on stimulating these two members to take the interest they have shown in recent days in this problem. They are almost rebels, Mr. Chairman. They are unique in the party or parties to which they belong. I think I can say something about this. I was the federal commissioner for Saskatchewan during exercise TOCSIN, and one of the things that impressed itself on my mind at that time was the lack of seriousness which the C.C.F. government of Saskatchewan showed with respect to that exercise and the little regard that the provincial premier and the members of his cabinet paid to the safety of the people of their province as evidenced by their co-operation in that exercise. The lack of co-operation was manifest. There was not a single cabinet minister from the province of Saskatchewan who took part in that exercise, not one. Not one even had the courtesy to come to civil defence headquarters to take part in it, although we had nine representatives from junior positions in the provincial civil service.

To demonstrate the intense interest of the C.C.F. in saving the people of Saskatchewan in the event of nuclear war we might examine the contribution they made to that exercise in the field of medical component, the medical side, where surely I would think that if that government were going to take the exercise seriously they would see that there would be adequate medical components represented there; but there was not one from the province, not one single representative of the provincial medical staff or the provincial health services.

Another example of the active interest of that government in saving the people in the event of nuclear attack was the interest evidenced in regard to the problem of transportation which inevitably would become a problem. Roads have to be kept clear and maintained. There has to be transportation for different facilities of rescue, survival, food and so on. Therefore one would imagine there would be a large provincial component in the field of transportation in such an exercise, particularly when the provincial government owns the bus lines in that province. What was the provincial representation from Saskatchewan in regard to transportation in the field of bus, road or air transportation? It was nil. They could not turn a wheel, my friend from Provencher says. The contribution of the only elected C.C.F. government in

the history of this country was practically nil. The regard in which they held this problem was less than nil.

If the two members who have spoken from that corner, the hon. member for Vancouver East and the hon. member from Peterborough, could form themselves into a committee of two to wait upon the leader of their party, the present premier of Saskatchewan, and give him the benefit of their ideas and suggestions in this particular field, they might stimulate his interest and show him that rebels in the new party might be successful in their attempts to draw the attention of that party to the vital things which affect the Canadian people.

Mr. Pitman: Mr. Chairman, I do not wish to prolong this debate, but I do wish to answer one or two remarks made by the hon. member for Peel. I am not going to say anything about the speech which preceded his. Of course, in relation to other provinces I should like to know just what is taking place in each area. Of course I do not agree with what the hon. member for Peel suggested. He said that nothing constructive had been said because no one mentioned the measures which the Prime Minister referred to. Nobody suggested that less money should be appropriated. What we are concerned about is that so far the ordinary emergency measures have not made a very good effect upon the people of Canada.

This afternoon some 60 members are sitting in this chamber. They have a better opportunity to know what is going on than any other group in Canada. I wonder how many in this chamber have built a fall-out shelter in their basements, what percentage would there be. This is a rather interesting question to ask, and it would also be interesting to get some statistics on it. This is the problem we are trying to deal with. We do not think this has yet made any impact on the people of Canada. This is why we are taking an active part in this debate.

The hon. member for Peel suggested that the remarks I made this morning dealt with fall-out in blast areas. Well, of course, the hon. member knows, or at least he should know, that there may be no fall-out at all in the blast area. Climatic conditions may cause fall-out away from the blast area. It might be swept into other areas by the prevailing winds and very little fall in the blast area.

We seem to be in complete disagreement as to how much fall-out there might be. The hon. member for Peel says, "we believe it would be a certain amount". On what basis does he arrive at this conclusion. I realize he may have privileged documents at his disposal which are not available to the rest of us, but nevertheless this is a question on which we will never know who is right; at least we do not want to know on the basis on which we can find out.

He turned on a member of his own party who was trying to explain this morning just how serious the situation is. The hon. member for Peel made a passing reference to the socialists and said we evidently do not believe in the liberty of individuals. With 323,000 people unemployed and all their dependents, with some 400,000 people unemployed recently and all of their dependents, and with the possibility of many thousands in farm communities making less than $2,000 a year, would it not be a difficult problem for them to get this much money together? The hon. member for Peel and his party say that they are for individual enterprise. Certainly this does not apply only to the wealthy. I should hope not. Surely this does not mean every man for himself, or, as our leader put it, as the elephant said when he danced among the chickens. I am sure he did not mean it that way.

I have only one or two more points to make. The hon. member also referred to the voice of women. I am sure he will correct himself in this regard. He referred to them in the same breath as the women in the U.S.S.R. who had made some statements about nuclear testing. I am sure he is not attempting to link these two situations and bring into disrepute an organization which is asking questions, perhaps embarrassing questions, but necessary ones.

Finally he suggested that there is a great difference between our attitude on survival and that of the officers of this particular political party. Our survival policy is very simple. It is based on the fact that a war may start, and no one in Canada can make that decision because we will not have the weapons to make such a decision. It can happen by accident. We recognize that is the situation just as I am sure the Prime Minister does. That is the basis of our survival policy.

On the other hand, our defence policy is that we do not want Canada to encourage such a war to take place. That is the basis of our refusal to accept nuclear weapons. I can assure you that we in this group are seeking to find the answers to survival. We do not believe we have the answers. We do not believe that the government really thinks that it has all the answers. We are trying to ask questions and put forward proposals in a constructive way, and I hope that in future our position will be clear.

Mr. Martin (Essex East): Mr. Chairman, I have listened with interest to the discussion on this subject. What I have to say will be

said with a full realization of the difficulty involved in trying to plan for an adequate program to protect our people in the event of a nuclear war. In my opinion this subject is too important to permit us to be involved in digressions that are not directly related to a solution of the problem.

I think this is perhaps the most difficult problem facing any government in any country of the world at this time. I say that not only because of what I have listened to today and what I have read, but also because at one time, I had a responsibility in connection with this matter. Anyone who has had that responsibility will appreciate that the problem is indeed a gigantic one. This does not mean that we should not put forward ideas in discussing the present government's program with a view to improving that program. If that is done it should not be thought that we are engaging in idle criticism. Certainly that is not what I rose to do at this time.

I am not fully convinced that the problem of leadership in this matter, which is essential, is one that can most effectively be met by the ministerial division that exists at present. I am not asserting this dogmatically. But when the Prime Minister announced a year or two ago that the responsibility for civil defence would be divided between the privy council office, the Minister of National Defence, the Minister of National Health and Welfare and the Minister of Justice I wondered if such a division of responsibility was the wisest course. I do not suggest that there is not a function for all of these departments, and, even for other departments, to discharge. But it seems to me that the over-all direction of civil defence requires constant attention to the problem in its full context.

The Prime Minister, it is true, when questioned about this by me at the time, did say that direction would be given by all four ministers, but that we could look to the Minister of National Defence as the one to whom questions should normally be directed. I took it from that and from something that General Pearkes later said that General Pearkes would be regarded as the minister in the government at that time who might be looked upon as the spokesman for the government with respect to matters having general application to the problem of civil defence, but that this did not preclude the Prime Minister from dealing with the estimates now before us. The Prime Minister is a busy man. It would seem to me that it would be difficult for him to give the kind of over-all attention which I believe is required. However, I may be wrong in this. Perhaps the Prime Minister will comment on this point when the moment for doing so arrives.

I recognize, of course, that in the privy council office, under the Prime Minister, are individuals who for a long time have been interested in this problem, and who had experience in certain aspects of civil defence before their transfer to the privy council office. I know from personal experience that the Clerk of the Privy Council has always had an intelligent and deep interest in this problem. He is responsible for the war book, and I am sure that the Prime Minister and those associated with him have had much to do with the program involved in E.M.O. with regard to such things as providing for the transfer of government and the like.

The hon. member for Peel spoke today and I do not think he did full justice to himself or to the cause which he was seeking to champion. It is not a question whether this government is doing more than any other government in the western world. It is not a question whether, in the light of greater knowledge and greater tension, the government is doing more in this field than its predecessor. We are not going to resolve this question by seeking to engage in that kind of argumentation.

The hon. gentleman spoke of the shelter program and said that the general directions given by the government were not fully appreciated by some hon. members, who had participated in the debate, because they had failed to recognize that this program was one directed toward individual participation. If by that the hon. gentleman meant that we cannot have a successful civil defence effort unless every individual citizen takes an interest, then I fully agree with that characterization by the hon. member for Peel. Obviously if the people of Coventry do not want to provide for their defence in the event of a nuclear war, no effort on the part of the government or on the part of their fellow citizens is going to provide the necessary defence.

In that sense what the hon. gentleman said is correct. But if by individual participation he meant that the whole problem, say in the matter of shelters, was to be left to the individual, then I believe the hon. member has not fully stated the case. I am sure it is not the intention of the government, or of any government which directs itself to this problem, that the civil defence organization is to be predicated upon exclusive individual participation. If that were the case, we would not be concerned with the building up of supplies, the storage of medical supplies, preparations for the storage of food, the building

of emergency hospitals and the like. There is a very wide area of collective effort without which there can be no successful civil defence effort.

Just as that is the case, so too is it that in a country like our own the job cannot be done only by the federal government. There must be the fullest co-operation at all levels by all governments, provincial governments, municipal governments, supplemented by voluntary organizations, the Red Cross, the St. John Ambulance, all of them together providing a collective effort on the part of the citizens and the community as a whole. So that in that sense what the hon. gentleman for Peel said is not correct.

He was greatly in error, of course, when he spoke about shelters and what was being done in other countries. If I understood him correctly, he said, for instance, that in Sweden no shelters were being built. Well, that is not the case. Not only are individual shelters being built in Sweden but the state has built all kinds of shelters, and this they have been doing for some time. In fairness to the situation in the United States, the United Kingdom and Canada, I may say that the provocation for Sweden to engage in a large program of public shelter construction is much greater or was much greater than in the case of those countries with which I have just compared Sweden. The fact is that Sweden has built underground shelters, taking advantage of their great rock formations, large shelters where not only can people go for refuge, security and safety, but shelters where there are actually large industrial establishments and the like. So that in Sweden, contiguous as it is to the Soviet union and with the provocation that exists, there is a wide program of public shelters as well as individual construction of these devices to minimize the effects of blast or fall-out.

Now, the government is wise in giving direction in the presentation of prototypes of shelters. It is wise in bringing the pamphlets up to date and indicating there is a great deal that can be done by the individual to protect himself against nuclear war. I completely subscribe to the view of the Prime Minister that whatever may be the cataclysmic destructive consequences of nuclear war, there is much that can be done to save percentages of our population in the event of a nuclear war. There is much that can be done, and it is a policy of defeat on the part of anyone to take any other view. Certainly, it is not strengthening the deterrent to say that all we have to do is sit back and take whatever is levelled against us by a would-be aggressor. There is a great deal that can be done. That is why the government of this country, and other countries, must at this time be supported in the efforts they are making to try to give the necessary direction.

I know that this is not an easy problem by any means. What are we to do? The government has said shelters can be built and these shelters can provide a great measure of security and resistance to blast and fall-out. But the government has not, I realize the difficulty, indicated if the time has arrived or whether in the future it will be proper to give consideration to much wider participation by the state itself in the construction of shelters. I have read the interesting speech made by the hon. member for Trinity who participated in this debate following the statement made by the Prime Minister on September 13. The government has not stated unequivocally if it is prepared to embark on the kind of program that has been embarked on by Sweden, for instance.

Has the government reached a decision yet as to whether or not the federal government and provincial governments together, or with the municipalities, should begin to build public shelters? Now, that is the great issue which I believe is being discussed at the moment and being canvassed in our country. Are we to leave this responsibility to build shelters exclusively to the individuals, to the fathers and mothers of families, or are we to supplement private construction for individual family purposes by a contribution from the state to build a shelter in the individual home which will serve undoubtedly the purpose intended if the construction follows the recommended line? However, this is not going to provide all the shelter that will be needed in the event of nuclear war. Supposing a nuclear war takes place during school hours. The children are not going to be at home, they are going to be in school. Are we going to provide shelters for these thousands of children in the schools. Most of our working population will not be at home during certain hours of the day. They will not be able to rush from the factory or the office to take shelter in the family basement. They will require shelter forthwith at their place of work.

Unless the government builds shelters, the only way they can be provided will be for industry to build them, or the office people in a building to collectively get together and build a shelter, or the individuals in a school to collectively pool their resources to build a school shelter. These are the problems about which we have not yet had a decision and in connection with which there has not been any declaration of government policy. The cost of building shelters on the scale that I have been envisaging is tremendous. I noted that the hon. member for Trinity mentioned

a figure of $4 billion. He may be right in his estimate, but I have seen a much higher figure. It is the responsibility of the government to decide, in the light of all our obligations, what should be done in this regard.

The government is in a better position now to determine the likelihood of war. We were all encouraged by the statement of the Prime Minister the other day when he did not believe we would have what the newspapers call in their headlines, a hot war. With the information that is at his disposal, this is a heartening statement. He will have to determine, as head of the government, whether or not that situation may deteriorate, whether or not with the expansion of the ownership of nuclear weapons to other countries than those now in possession of these instruments of destruction, the danger of miscalculation or of accident will become increasingly great. He will have to assess the consequences of such development.

I simply say, speaking for myself, that I believe it is the duty of each and every member of parliament, as I am sure all of us recognize, to support the administration in the effort it is making. We have a responsibility also to indicate what we believe are the areas in which decisions have yet to be made. I believe it is not unfair to suggest that the government should announce its policy in that context or indicate why it does not feel at this time it has to go farther than it has gone.

Now, these general remarks will be interpreted in various ways, I suppose, by various people, but I have stated my views as I conscientiously see them. However, I make them in the full sense of an effort to try to contribute to the solution of what I know to be an extremely difficult problem.

My final comment is this, I believe the hon. member for Peel did an injustice to some of the women of our country when he spoke just before noon. He contrasted the views of the women of the Soviet union as expressed in a document that came before him today with some Canadian women. The women who have organized themselves into the Voice of Women or "La voix des Femmes" are, as far as I can tell, an organization of women who firmly believe, as do we all, in peace. They believe that it is up to each individual person to make a contribution and not to leave that responsibility to the government only. I think it would be wrong to suggest that they are not motivated by the best of intentions, particularly when one bears in mind the fact that this organization is sponsored by some very eminent women indeed in our own country and in the world. For instance, among them I find the name of Senator Josie D. Quart of Quebec city, a woman who has devoted much effort to promoting the United Nations society. Then I notice the name of Mrs. Roosevelt, the wife of a former president of the United States, a woman who has done so much for the United Nations and for good international relations. I also find the name of Mrs. Pearson, the wife of the Leader of the Opposition and other names I do not recognize. They are the names of women who in their own country are distinguished and who have made great contributions. I notice the name of Mrs. Adelaide Sinclair, formerly of the Department of National Health and Welfare, now the director general of the children's committee with headquarters at the United Nations. She is one of our most distinguished women and is certainly associated with women who can be in no way regarded as having produced evidence of having a lesser interest in our welfare than have any of us. Then I notice the name of Mrs. Wendell Willkie, the wife of a former candidate for the presidency of the United States. I note that the chairman is Miss Muriel W. Jacobson. Miss Jacobson was national director of the Canadian committee for world refugee year in 1959-60. From 1952 to 1957, she headed the voluntary international assistance unit in UNESCO's New York office in the United Nations. I believe she is now corresponding in Canada for the United Nations high commissioner for refugees. I do not know Miss Jacobson and I do not know all the women whose names I have mentioned, nor have I mentioned other women who are on the board of directors. I know little about the organization. However, I know of the contribution made by these women to our national life. I believe that they are sincere women who believe that only by mobilizing public opinion can they support a government in its declared policy of peace and goodwill.

Mr. Browne (Vancouver-Kingsway): I shall be very brief in taking part in this debate. There is certainly no need in urging on anyone a strong civil defence program for this country. That is generally being agreed upon by those who have taken part in the debate. However, for any civil defence program to succeed, it must be accepted by the public and be supported by every person in the country. I therefore think it is most important that we stress the positive values of a civil defence program.

Most of those who have spoken have indicated that we are living in a dangerous world and that, whatever may be our efforts at the United Nations and elsewhere to maintain peace in the world, there is always the risk of nuclear war, and that if we are going

to survive we must have fall-out shelters and a civil defence program in this country. However, I think that the possibilities of civil defence go beyond that. In fact, in the years ahead the program of civil defence might well be the main determinant as to whether or not nuclear war comes about, when we consider the position in which we find ourselves today, with each side trying to threaten the other with nuclear weapons and in actual fact holding the people of each country as hostages in order to prevent that war coming about. However, we realize that situation is brought about only because each side is afraid that in the event of nuclear war its population would be destroyed. That is the theory of the deterrent that we have been a party to. However, when you consider the possibility of one side having a very strong civil defence and being able to remove their population from the position of hostages, it certainly would put the other side in a much stronger position. Hence we can see that if the Soviet union were to go on a massive program of civil defence and place themselves in a position in which their population could be protected whereas the population in the western world were vulnerable to a nuclear attack, we would be placing ourselves in a very dangerous position. If it were the intention of the Soviet union to bring about a nuclear war then, of course, that situation could only encourage them to do so.

I therefore think there is a positive value, a deterrent value in civil defence which is just as important as is the deterrent value of our nuclear weapons. I think that this aspect should be stressed throughout the country and be pointed out to the people of the country. As I say, if that aspect is not made clear and if the people do not understand the importance of civil defence, it is very hard to gain public acceptance of such a program. There is no doubt that there has been reluctance on the part of the public to enter wholeheartedly into civil defence, because generally speaking we have considered nuclear war to be unthinkable. It is only recently that the situation has come about where we have had to face that possibility. Particularly when the stress has been laid on the fact that we must have fall-out shelters to protect us in the case of attack, I think the public have been reluctant to accept the program entirely on that basis. I think the more positive aspect is the part that a proper civil defence program can play in preserving peace and avoiding a nuclear war. This aspect should be very well to the front of any program that we put forward to stress the importance of civil defence in this country.

[Mr. Browne (Vancouver-Kingsway.]

Mr. Diefenbaker: First, I wish to say that it has been most helpful to have the expression of views of hon. members on this matter. What was said a moment ago by the hon. member for Essex East was true in every respect, namely that this is a matter that requires the best thinking not only of the government and the parliament of Canada but of the provincial governments and the municipalities, as its success depends on the co-operation of each and all. I was interested in what the hon. member for Vancouver East had to say. He said it in turgid words. He described what took place on the occasion of the last exercise. It has always been the policy to have an unprejudiced and unbiased person such as he on an exercise like this, in order to have the benefit of such views as the hon. member expressed regarding an exercise that is part of the survival plan and as such transcends any party considerations.

The hon. member mentioned the need of full liaison between federal, provincial and municipal governments and, while maintaining the constitutional separations of authority, to bring them together in days of peace so that if war should come the plan would have been completed and in effect.

I would say that exercise was a helpful one. It revealed how things would be in actual operation. The hon. member mentioned that he travelled by train and that no security precautions were taken. I can assure him that everybody knew him and such precaution was entirely unnecessary, as it was with the others who boarded that train that day. If he has any idea that he travelled to Petawawa without being identified by the security authorities, I can assure him, that is not a fact.

The hon. member pointed out that authorities there advised him that the signal equipment was not the most modern. That was so. More modern signal equipment had already been ordered and some has been delivered. The rest is generally ready. This was an exercise.

When the hon. member speaks in connection with the disposal of the dead, I can only say that his views are not accepted by those who had the responsibility of bringing together the organization that met in Petawawa. That is not to say that all was perfect. Far from it. That is the reason hon. members from all parts of the house were given the opportunity to be present. All of us are in this together, and by giving this opportunity to those who have different political viewpoints than the government we are assured that a fair measure of criticism will be made. Such criticism is necessary if this difficult problem is to be met, because we are in an

experimental position. As one hon. member said, we will only know if it works should the eventuality take place that all of us are guarding against. We are trying to do what can be done now to meet the exigencies of the future by co-operation between the various departments of government.

I am going to refer to what the hon. member for Essex East had to say about organization and the division of responsibility among various departments of government. This was an action taken following the fullest study of what was being done in other parts of the world. I believe we have reason to have a feeling of pride in having brought about the division in question, for only in recent months the United States adopted a system almost analogous with many of those things that we undertook experimentally. They have seen what our action has been and have concluded that this is the action they should undertake, and they are doing so now.

These exercises have to take place from time to time. A few weeks ago I advised the house that a further exercise had been decided upon. The government has decided that because of the current international tension and the necessity for checking the state of readiness in respect to a civil emergency, a national civil defence exercise shall be held late in October or early in November. It has now been decided that this exercise will take place on November 13, extending so far as participation by governments is concerned into November 14. This exercise follows naturally from the one held in May, 1961, in which I frankly admitted to the house certain gaps had become evident, which I believe have been remedied in the meantime as a result of that previous exercise.

It will be our endeavour in arranging this exercise that as many as possible of the Canadian public will directly participate and to a greater extent than was the case previously. With this in mind, a good deal of public information will be made available both before and during the exercise. Extensive use will be made of radio. People will be asked to listen to the broadcasts and to review the plans they have made for the safety of themselves and their families. It is hoped that full support to the exercise will be given by provincial and municipal authorities, whose responsibilities in the event of war are of major importance.

With this in mind I have written the premiers of all the provinces, inviting them to have their governments participate in the exercise and to encourage various municipalities in each of their provinces to do likewise. I would stress that this is a further step in a series of tests to review how ready we are to meet the grave emergencies and dangerous implications that will arise in case we are involved in war.

There is no way in peacetime that this can be done excepting by way of an exercise such as the one we held in May and the further one to which I have alluded. I agree with those who say it is difficult to command and mobilize the public interest in this matter. One hon. member mentioned the fact that I stated the other day that I could not believe it possible that there would be war. By that I meant that I could not conceive that any national leader, whether it be Khrushchev or anybody else, knowing the potentialities of nuclear war and possessing ordinary human intelligence, would wish for war or dare to make a direct move in that regard. But we said the same about Hitler, and it has been said of all the leaders of mankind who have become military megalomaniacs, that they would not go to the limit of war. In the past they have, and in the past, too, there were great fears. Those fears are with us today. Fearful as I am as to what would happen should a nuclear war come, I am not one of those who believe that mankind would be destroyed. I believe that philosophy was built up by Nevil Shute in his book and has caused the hearts of men to be more fearful than the facts of science would justify.

Certainly, the loss would be terrible. It has been estimated that in our own country if a series of nuclear attacks were made upon us the number of casualties would run between two million and six million, which is terrible however one views it. That is why our efforts are directed to bringing about peace, and that is why every waking minute and every waking year all those who have responsibilities have before them that picture of the awfulness, of the havoc of the future, and also of the need to do everything, to preserve peace, consistent with the maintenance of those things which are dearer than life itself.

When organizations spring up for the purpose of doing their part I welcome them. Any group of men and women who join together and endeavour to mobilize opinion within their country on behalf of the best things of life are performing a service; I recognize that as good citizenship. I listened today to what the hon. member for Peel said and also to those who followed him. I think they have done him a grave injustice in the interpretation they have endeavoured to place on his words. He spoke of this organization in Canada and the ideals for which it stood. Then he said that in the U.S.S.R., on the other hand, the women there were standing firmly behind the need for the maintenance and use of nuclear power. He was showing

the distinction between those who stand for peace and those who in the U.S.S.R. become automata under the control of the state, carrying out the will of the state. We need to mobilize public thinking with regard to the precautionary measures that must be taken in order to maintain the safety of the individual in Canada. It is hard to do. We are all built the same way. Everyone says in his own heart: it just cannot be—something will turn up to prevent the outbreak of hostilities. Therefore we need the help of members of parliament and of all in public life to mobilize the thinking of Canadians to the need of acting, and acting now, to do those things necessary to provide and assure a reasonably high figure of survival. I am going to say a personal word in that regard.

As Prime Minister my responsibility is provided for in the division of powers between the various ministers. I believe in the need for a shelter program. I am entirely convinced that there is much merit in the basement fall-out program which has been placed before the Canadian people. I know there are some who leave the suggestion that we have in mind the survival of some and have not the regard for others that we should. This was implicit in certain words spoken here which I am not going to identify, although the hon. member in question will, no doubt, know of whom I am speaking. That is a principle which all of us cannot but condemn; we cannot but condemn any effort to leave the people of Canada with the view that we seek to protect those who are rich and not those who are poor. It is the responsibility of government to ensure a reasonable equality in this regard and that is one of the things which is before us at all times.

The hon. member for Essex East pointed out the tremendous cost of a national shelter program. The cost is, indeed, fabulous. All of us who have taken the time to read the information brought together by those responsible for the administration of E.M.O., know that there are vast problems in this connection which have yet not been solved here or in any other country.

I was going to say a personal word. As Prime Minister, I occupy a house on Sussex street. It was suggested to me that we should have a shelter there—a shelter really protective to the "nth" degree. That is where I shall be when and if war should come. That is where I shall stay, and we have there now a basement shelter identical with the one we have asked Canadians to put in their own homes. There is not one bit of difference between that and the one we suggest for others, excepting that this is to accommodate the staff as well as my wife and myself; it covers those in the building. That is where we shall be. That is the understanding, and that understanding will be carried out. I want that realized across this country—that there are no protective measures being taken for the survival of any particular person in this country.

There are, however, responsibilities which rest on a government to ensure a continuance of government, for, without government and with a completely separated group of ministers, you would have chaos. To that end we have available for the purpose of ensuring the continuance of government, for the cabinet, senior civil service officials and others needed to maintain the organization of the country, protection similar to that which has been provided in other countries.

Hon. members may say to me: what will the basement shelter protect against? Well, it will not protect against a direct hit or anything like a direct hit. The only kind of shelter which would protect from that would be a shelter one thousand feet down in rock. What we are trying to protect against are the major dangers we face, that is, from drift, from fall-out and the after-effects from radiation. I think the hon. member for Vancouver Centre made a particularly good contribution to the debate today when he emphasized the need of educating the people about this and showing them that what we are trying to do represents the considered opinion not only of the government but of all the officials and also of experts in other countries who have been consulted regarding the course we should take.

I mentioned a moment ago that we have to interest people. The hon. member for Essex East said that he had occupied a position of responsibility and he realized some of the difficulties. I shall point out some of the increases in expenditures that have taken place and of the action taken by this government as danger has become more and more imminent internationally with the passing years. In 1952 and 1953 the program was initiated of sharing expenditures. The amount expended was $1,400,000. The federal allocation to the provinces was based on 8 cents per capita plus an additional 6 cents per capita in designated target areas. Cost sharing was on the basis of 50-50 between the federal government and the provinces. In 1954-55 the appropriation was $2 million and there was a slightly higher per capita grant to the provinces, namely 11 cents per capita plus an additional 9 cents per capita in designated target areas. In cost sharing there were three alternative amounts, as follows: first, 25 per cent municipalities, 25 per cent provinces and 50 per cent federal; second, 75 per

cent municipal and 25 per cent federal; and lastly 50 per cent federal and 50 per cent provincial.

In 1957-58 cost sharing was still 50-50 as between the municipalities and the provinces on the one hand and the federal government on the other. The amount of the appropriation was $2 million.

In 1959-60 the appropriation was $4 million. As of April 1, 1959, we made provision under treasury board minute to provide more generous contributions. The federal allocation was based on a 25 cent per capita grant. Cost sharing was 75 per cent federal, with a 25 per cent share by the provinces and the municipalities, with a further provision that if any portion of $4 million remained after provincial and municipal projects submitted by May 1, 1960 had been approved and committed, further commitments could be made to the extent of the balance. In 1961-62 the appropriation is $4,350,000, and the federal allocation is the same as that in 1960-61.

This does not begin to show the total amount of the expenditure by the federal government on civil defence. That is an amount, including expenditures in the armed forces, of some $44 million.

With respect to the number of people participating, I cannot give the committee figures in detail in recent months, but the figure as of December, 1960, shows that over 100,000 volunteers and 187,000 full-time provincial and municipal employees could be engaged. Of these about 96,800 have received some training in their emergency duties.

In connection with the emergency measures being taken, all ten provinces and a total of 308 municipalities are participating. It should be noted that, depending on the province, a municipality might be a county, which means in effect over 1,200 municipalities are actually engaged in emergency measures activities.

In so far as federal expenditures are concerned, they have continued to increase. I refer particularly to grants to provinces and municipalities for civil defence and related purposes. Between 1952-53 and 1956-57 they ranged from $246,000 to $813,000, in round figures. They have increased since from $972,000 in 1957-58 to $2,245,000 last year. It is estimated that this year it will be about $3,700,000.

Mention was made by the hon. member for Essex East of the delegation and distribution of authority. I should like to refer now to what President Kennedy has done in this connection. The executive order regarding civil defence was made in the United States on July 20. The delegation of authority to the secretary of defence by President Kennedy assigned to the secretary of defence certain civil defence responsibilities, among others, a fall-out shelter program; the warning system; emergency communications including warning and monitoring; emergency assistance to state and local governments in a post-attack period; protection and emergency operational capability of state and local governments; and programs for financial contributions to the states for civil defence purposes.

The order reconstituted the former office of civil and defence mobilization into a new agency known as the office of emergency planning to give advice and assistance to the president in determining policy, appropriate defence roles; helping the states to enter into interstate civil defence compacts and the like.

It will be noted that the main assignments to the secretary of defence under this executive order are most similar to those assignments to the Department of National Defence in Canada by order in council in 1959. The new office of emergency planning in the United States is quite comparable with the emergency measures organization set up in Canada in 1957.

The hon. member for Vancouver East asked under what authority we would act in the event of hostilities. I mentioned the War Measures Act. During exercise TOCSIN we went through the formality of having a cabinet meeting for the purpose of bringing in the War Measures Act—the document was marked as being a defence exercise—so that we would be able to do the things to which reference was made by him and in particular the transfer, I think he said, of some 15,000 people from one area to another.

As the hon. gentleman knows, when the War Measures Act is promulgated the federal parliament and government become almost supreme, particularly in the field of legislative power, and are enabled to do those things which otherwise, under the heading of property and civil rights, would fall exclusively within the jurisdiction of the provinces.

I should like to refer to a question raised by the hon. member for Essex East and I think also by the hon. member for St. Boniface, who has devoted himself very greatly to this problem and was, as he described himself, in this regard a lone voice in the wilderness for a considerable period of time. The question was raised as to what should be done with respect to the schools. A strong case can be made out for the provision by school authorities of fall-out shelters in schools. This problem, however, like all the

others to which the hon. member for Essex East referred, is tremendous in its implications. Children are actually at school only about 20 per cent of their time during a day and by far the greater part of their time is spent at home or near home. Therefore on the basis of priorities, and I think the provinces take this view, a stronger case is made for the provision of shelters in their own homes. Even in the 20 per cent of time that they are at school it is generally felt, having regard to what may be expected as the normal warning time, that they would have sufficient time to get home. However, as time goes on the case for fall-out shelters in schools to take care of the one chance in five that the children will be there when the attack comes becomes stronger. Nevertheless, starting with fundamentals I think our number one responsibility at the moment is home shelters.

Mention was made by an hon. member of target areas and what can be done in a nuclear attack to safeguard people who live in target areas. That is a problem that has not been solved by any government in any part of the world. If one is immediately under a bomb there is nothing that can be done. If the weapon is somewhat farther away blast-proof shelters are of some help but they are tremendously expensive.

We have distributed to those who have asked for them plans for a blast-proof shelter that can be built in one's yard and there are also plans available for groups or communities that may wish to undertake such shelters. Incidentally, I wish to refer to the very patriotic offer that has been made by the Royal Architectural Institute of Canada and the institute of professional engineers. Representatives of these two organizations called upon me yesterday and offered to the government and the country in the interests of Canada as a whole their services and those of their membership. They promised to do whatever they can and whatever they are asked to do not in a spirit of monetary gain for professional services rendered but rather to show their interest in national survival and in the need of co-operation on the part of Canadians as a whole. The staff of the emergency measures organization is working on a cheaper form of blast-proof shelter based on using heavy steel tanks such as those used in gasoline service stations. The government has suggested to municipalities that they should have plans ready that will make it possible for those people who wish to leave target areas to do so if they so desire, always depending on whether there is adequate warning time before the explosion.

It is not recommended that all people leave such areas because there are serious conflicting considerations that arise. If the warning time is very short it is not possible to leave at all. If one is out on the roads it is even more dangerous than taking cover in the basement of a house closer to the blast. Mass evacuation suggests itself to many as a simple means of meeting the problem but it contains serious risks of panic. There is no doubt that if the problem permitted and arrangements were made to allow a substantial number of people to leave, many thousands of people could save their lives by moving out of the most dangerous areas; but to do so they must have places to go to. They run the risk of going to some place where they are exposed to the weather and possibly the danger of fall-out radiation. For this reason the general feeling is that people should only try to move out provided they have some place to go and know of it in advance. Instructions to this effect have been given and I think they are a matter of public record.

The suggestion has been raised that the government should build blast shelters. This could not be done on a partial basis and something of the immensity of the problem was indicated by a number of hon. members. It would mean that we would have to provide for some five million to seven million people. So far as that decision is concerned, I ask you to place yourselves in the position of the Prime Minister. If we proceed with such a policy costing at least a billion dollars, some say several billions, and war does not come we will then be subject to widespread condemnation for improvident action. We have been inclined to take the stand that that is one risk we have to take, that our purpose is to save the lives of as many Canadians as possible and to see that saving those lives shall not be based on the possession or lack of possession by people of the necessary wherewithal to protect themselves.

Miss LaMarsh: Would the right hon. gentleman permit a question at that point? I wish to thank the Prime Minister for his candor in referring to target areas. Because I have seen two lists in different press reports, I would ask the Prime Minister to put on record those areas in Canada designated as primary targets by the emergency measures organization.

Mr. Diefenbaker: I think there is no reason why that should not be done. Without designating actual areas I would say that if a nuclear attack on North America were to include a direct attack on Canada, major cities, industrial centres, ports and seats of government such as Calgary, Edmonton, Halifax, Hamilton, London, Montreal, Niagara Falls, Ottawa, Quebec City, St. John's, Newfoundland, Saint John, New Brunswick,

Toronto, Windsor, Winnipeg, Vancouver and Victoria could be considered as the most likely target areas.

The hon. member for Peterborough produced a letter from a Mr. Whittier. The gentleman in question wrote to the emergency measures organization expressing his views and we welcome such co-operation. I think, however, that there were some errors in the representations made which were based not on a lack of technical training but on a lack of the full knowledge of all the circumstances. The hon. member said that the correspondent stated that on page 10 of the booklet, "Eleven Steps to Survival", it is implied that the fall-out comes from activation of earth, stones, buildings, etc. but that the booklet goes on to give the decay rate for fission products arising from the fission of U-235. These statements are not inconsistent. Actually, what occurs is that the material blown up is made radioactive by the adhesion of radioactive fission product dust particles. Therefore, it is quite proper to say that the rate of decay as applied to the fission products from the fission of U-235, may be used in describing the rate of decay of the fall-out; and this is fairly applied independently of the land area over which the detonation occurs.

I think the explanation will be understood by all hon. members. With respect to the next point raised by the correspondent in the excerpt by the hon. member, it is apparent that there has been a misunderstanding on his part. It is true, as he suggests, that the shelter described in "Blueprint for Survival No. 1", of itself will stop 90 per cent of the radiation present. What has been overlooked is the fact that this structure is placed in the basement of a house. The hon. member for Peel dealt with this particular phase of the letter. In such case, the house itself will have at least a protective factor of 10. This means that the end result of the basement shelter in most houses is that the protective factor is 100 instead of 10 and that 99 per cent of the radiation, instead of 90 per cent, is taken care of.

I think there were a number of other statements in his letter, and I think they were answered in the reply which was sent to the correspondent of the hon. gentleman. If I have omitted any, it has not been from lack of a desire to meet the points raised but rather from the fact that I have not got the particulars before me.

Now, sir, mention was made of civil defence planning for cities. The federal government can plan for nuclear war as it will affect larger cities only in a general way, since circumstances vary so much. However, it can, with the provinces, help the cities in their planning and it has done so in many ways, namely, by providing a guide for municipal planning which has been widely circulated; by providing courses of instruction for mayors, other municipally elected persons and for civic officials; by providing financial assistance toward costs that arise in connection with local planning. The federal government pays 75 per cent of the costs of approved planning projects, as I mentioned earlier. Planning in detail, however, is the responsibility of the city in question and many of the cities in Canada have developed their plans fairly adequately.

I think that, in general, covers the matters that were raised. Again may I say how indebted I am to all who have made a contribution. We want the very best ideas that you have and that Canadians as a whole have in this regard. In concluding, I am again asking for the fullest co-operation. We have entered a field of activity that is novel; we have entered one that is dependent upon the uncertainties of the future. However, I have this to say regarding Mr. Curry and Mr. Bryce, of the privy council, as well as the administrative staff and the various staffs in the provinces, they have done a great deal and gone far beyond the normal call of duty in order to make a success of dealing with a problem which is novel, unusual, but vital to the future of the people of our country.

Item agreed to.

Special—

317. Expenses of the royal commission on railway problems including the payment, notwithstanding the Civil Service Act, of honoraria or allowances as may be authorized by the treasury board to officers, clerks or employees permanently employed in the civil service for services rendered by them to the commission, $40,870.

Mr. Chevrier: Mr. Chairman, I wonder if the Prime Minister could bring us up to date in connection with the position of this commission. The Prime Minister will recall that I asked him on the orders of the day when the second volume of the report would be ready. He told me he had a memorandum from the Clerk of the Privy Council. I should like to know now, having regard to what the Prime Minister indicated on a number of occasions, what the position is and what progress has been made by this royal commission.

Mr. Diefenbaker: I stated the other day that the second report would be available this fall and that there would be a third report as well. This latter report would be a compendium of the working papers and the statistical information that had been gathered and collated by the commission.

Mr. Chevrier: The Prime Minister will remember that in the first report which was

tabled there were a number of recommendations made costing, I believe, somewhere in the neighbourhood of $100 million. The recommendations were divided into four different categories. The Prime Minister will remember that there was a discussion of this matter on an earlier occasion and he indicated that as soon as the report was brought down legislation would be forthcoming. I should like to know what the intention of the government is with regard to the recommendations of the MacPherson commission and whether or not any of those recommendations are going to be implemented by legislation.

Mr. Diefenbaker: As the hon. gentleman knows volume I dealt with more or less general matters and had some recommendations. It is necessary for us to have volume II before us before we can finally determine several matters that were recommended and in respect of which further information will be forthcoming in the subsequent volume.

Mr. Chevrier: There are a number of other things upon which I should like some information. The Prime Minister will remember that the object of this royal commission was to consider a number of matters incidental to transportation including, amongst other things, freight rates and the freight rates structure. The point on which I should like to make inquiry at this time has to do with vote 317 which is now under consideration and is related to vote 590. Vote 590 concerns the $50 million which we will be asked to vote under the heading of "Board of Transport Commissioners".

As the committee knows the Freight Rates Reduction Act provided a sum of money, which I believe was in the amount of $20 million, for the general reduction of class rates across Canada and that money has, I take it, been paid by the government to the various railways since the bill was given royal assent. Can the Prime Minister tell the committee whether or not any part of this $50 million will be paid also in reduction of freight rates or how it will be paid?

Mr. Diefenbaker: I have not that information and when we come to the $50-million item no doubt there will be a discussion. I think it would be well to have the facts fully before us rather than endeavour to answer the question piecemeal.

Mr. Chevrier: Well, I will not insist on it, Mr. Chairman. I think perhaps that answer is one which would commend itself to the committee. Then dealing with the royal commission, may I ask this question. Can the Prime Minister tell us when it is expected that the final report will be brought down?

He will remember that when this matter was discussed in the house, he was under the impression that this was something which could be done very quickly. As a result of our experience as members of the former government, we indicated that it took quite a long time, as has been the case. Can the Prime Minister give any indication of when the final reports will be given to the house?

Mr. Diefenbaker: If I could do so, I should be most happy to be of assistance in that regard. I remember one time when I entered into the field of royal commission prophecy. Events did not bear me out, and from time to time questions were asked. I do not wish to be placed in that position again.

Mr. Chevrier: The Clark report.

Mr. Diefenbaker: The hon. gentleman is like Orpheus. He could almost get information on any subject when he takes the kindly attitude. However, I am not going to enter that field even in the face of the blandishments by means of which he has endeavoured to secure the information.

Mr. Chevrier: The Prime Minister is in very good humour.

Mr. Martin (Essex East): In the same mood and with the same purpose may I ask the Prime Minister if he can now tell us when the government expects to be in a position to announce its policy of acceptance or rejection, in whole or in part, of the Bladen commission report? The Prime Minister will appreciate the fact that this is a matter of great interest to the community from which I come. The report has now been in the hands of the government for some five months. There is considerable interest in knowing when we may expect something in connection with this matter.

Mr. Diefenbaker: The hon. gentleman, too, almost persuaded me, Mr. Chairman. However, I cannot add anything to what I have already said, even though I am so highly desirous of being helpful.

Item agreed to.

318. Expenses of the royal commission on government organization including the payment, notwithstanding the Civil Service Act, of honoraria or allowances as may be authorized by the treasury board to officers, clerks or employees permanently employed in the civil service for services rendered by them to the commission, $750,000.

Mr. Pickersgill: I am not going to make the mistake made by my colleagues of asking the Prime Minister to prophesy. I am simply going to ask the Prime Minister to tell us what has been accomplished or to give us a report on what has already been accomplished by the Glassco commission and particularly

to give us the most up to date estimate of how much of the half billion dollars this commission was expected to save has been saved by it.

Mr. Diefenbaker: May I say to the hon. gentleman that the commission has undertaken an extremely large and comprehensive examination of the problems that were placed before it. It divided its inquiry into 18 specific projects. I ought to place those projects on record to give an indication of the comprehensive investigation taking place. They are as follows: Financial control and accounting; manpower in the government service; paper work and office systems; real property management; procurement and materials management; transportation; communications; economic analysis and statistics; legal services and procedures; scientific research and development; services to the public; medical and hospital services; education services; public information services; lending, guaranteeing and insurance activities; administrative aspects of the Department of National Defence; government operations in competition with private business; federal-provincial joint and allied activities.

I am sure that enumeration will give the committee some idea of the complex and wide ranging field in which the commission is operating. It does not hold public hearings. It has endeavoured, as far as possible, to secure its information by consultation with departments of government and outside.

As to the savings it will bring about, may I say that I hope that it will be able, without in any way diminishing efficiency but rather indeed increasing it, to recommend changes which will assure reductions proportionately similar to those achieved by the Hoover commission in the United States.

Mr. Chevrier: I take it that this is the first time an estimate appears in connection with the Glassco commission?

Mr. Diefenbaker: Yes.

Mr. Chevrier: It is for $750,000?

Mr. Diefenbaker: Yes.

Mr. Chevrier: I wonder whether the Prime Minister can tell us what the total cost of this commission will be? I hold in my hand an article which was published in the *Financial Post* of July 29, 1961 and in which it is stated that the cost of this commission for this fiscal year will be about $2,250,000. Can the Prime Minister say whether or not that is a fact?

Mr. Diefenbaker: I know that, when you have some regard to the nature of the expert information that must be secured, the cost will be considerable. I would not be able to give an estimate at all at this time. However, to make it an effective commission, the personnel must be those with wide experience and knowledge, technical, economic and the like. Whatever the cost may be, I think the results will be far in excess of it.

Mr. Chevrier: That remains to be seen. We shall be obliged to await the recommendations of the commission. Can the Prime Minister give some indication of whether this commission will, in connection with this report, proceed along the same lines as those followed by the MacPherson commission, for instance? Will there be an interim report or will there be a number of interim reports?

Mr. Diefenbaker: As the hon. gentleman knows there has already been one interim report. There should be another one in due course.

Mr. Chevrier: When is it expected that this commission will finish its work?

Mr. Diefenbaker: As the hon. gentleman knows, when the commission was set up the purpose or objectives were set out and it was provided that the commissioners should report to the governor in council, making interim reports on the progress made, the final report to be made within a period of two years.

Mr. Pickersgill: I have not the documents before me at the moment, I admit, but at the time the commission was appointed I seem to recollect that it was stated that it would make reports from time to time and that it would also make recommendations to government departments in the course of this operation, with a view to having them implemented immediately, in order to effect as quickly as possible these economies which, after all, as I understand it, are the sole purpose of the commission. I wondered whether the Prime Minister could give us some indication of the number of recommendations and of the nature of the more important recommendations that have so far been made to the various government departments by the commission in the course of its operation.

Mr. Diefenbaker: I have not that information, Mr. Chairman.

Mr. Pickersgill: I do not wish to hold up the estimates. I wonder whether the Prime Minister could have the information prepared in some sort of form that could be made available to hon. members within a reasonable time, so that at least it would be available for consideration at the next session of parliament.

Mr. Diefenbaker: I will give consideration to that request.

Mr. Pickersgill: Mr. Chairman, there is another suggestion that I might make to the Prime Minister about this royal commission, in which it will be understood that because of my previous experience in the public service I take a special interest.

Mr. Diefenbaker: Have you given any evidence yet to the Glassco commission?

Mr. Pickersgill: I understood the Prime Minister to say that the commission was not taking evidence.

Mr. Diefenbaker: By that I mean recommendations.

Mr. Pickersgill: As I understand it, it is carrying on a sort of inquisition in private and not a public inquiry; a sort of star chamber, to use a phrase that was very frequently used by a very distinguished member of the house who used to sit on this side of the chamber and is now sitting over there. So far I have not appeared before this august body during its inquiries, though I must say, since the Prime Minister has put the direct question to me, that some legal officer connected with it did telephone me the other day and suggested he would like to talk to me about something. I offered to take him to lunch so that he could do so. I hasten to add, that was to be at my own expense, not wishing to add to the cost of the inquiry.

What I particularly wanted to suggest to the Prime Minister was this. I noticed when the Prime Minister was reading the various branches of the inquiry that one of them was for public information. The Prime Minister will recall that when he sat on this side of the chamber some years ago the critics on this side of the chamber—I do not know that the Prime Minister indulged in this very much, but the Minister of Finance certainly did, and some of the leading members of the opposition who are now on the treasury benches—complained about the excessive cost of public relations officers and information officers in the various branches of government.

In view of the importance which hon. gentlemen used to attach to this subject I was wondering whether the Prime Minister could suggest to Mr. Glassco that this particular branch of the inquiry be expedited and that an effort be made to make a report on this subject in as public a form as possible at the earliest possible date. I ask this because I can well remember how the Minister of Finance, in particular, used to point out what a tremendous saving could be made by reducing these services.

The only clear and precise recollection I have is that before 1957 and right back to confederation, as far as I know, there were no public relations men in the Department of Finance, and the only economy that has been effected so far in this particular department has been to add someone at a reputed salary of $10,000 a year to the staff of the Minister of Finance.

Knowing the passion for economy of the Minister of Finance, who has not increased the annual expenditures of this country by much—over a billion dollars a year from what they were when the previous government was in office—I think that an area where it was recognized these great economies could be made ought to be explored as quickly as possible.

Item agreed to.

Special—

557. Expenses of the royal commission on government organization—further amount required, $1,577,480.

Mr. Pickersgill: Mr. Chairman, I note from this vote that if you add vote 318 to this amount the total sum being voted this year for the expenses of this royal commission, which is to save the taxpayers' money, is substantially above $2¼ million.

Item agreed to.

Special—

558. Expenses of the royal commission on Canadian magazines and other periodicals including the payment, notwithstanding the Civil Service Act, of honoraria or allowances as may be authorized by the treasury board to officers, clerks or employees permanently employed in the civil service for services rendered by them to the commission, $35,600.

Mr. Chevrier: Mr. Chairman, in connection with this royal commission, which has to do with periodicals and publications, can the Prime Minister give any further information than that which he has already given in answer to questions on the orders of the day as to what consideration the government has given to these recommendations and whether or not they will be implemented.

Mr. Diefenbaker: Mr. Chairman, there is nothing I have to add at the moment.

Item agreed to.

559. Expenses of the royal commission on the motor vehicles industries including the payment, notwithstanding the Civil Service Act, of honoraria or allowances as may be authorized by the treasury board to officers, clerks or employees permanently employed in the civil service for services rendered by them to the commission, $16,000.

Mr. Pickersgill: Mr. Chairman, on vote 559 I should like to ask the Prime Minister whether, since there is no vote in the main estimates, this $16,000 represents the total cost of the Bladen commission?

Mr. Diefenbaker: No, it does not.

Mr. Pickersgill: Could the Prime Minister say when the additional amount, whatever it was, was voted and what it was for.

Mr. Churchill: Last year.

Mr. Diefenbaker: Last year approximately $46,000 was spent.

Mr. Pickersgill: That makes a total of something over $60,000.

Item agreed to.

560. Expenses of the royal commission on health services including the payment, notwithstanding the Civil Service Act, of honoraria or allowances as may be authorized by the treasury board to officers, clerks or employees permanently employed in the civil service for services rendered by them to the commission, $125,000.

Mr. Pickersgill: Mr. Chairman, I wonder whether the Prime Minister could indicate what progress has been made in this connection. Perhaps I should not even ask this question since the Prime Minister refuses to enter into the realm of prophecy, but can the Prime Minister say whether he has any target date for the completion of this royal commission.

Mr. Diefenbaker: Mr. Chairman, I should very much like to have an interim report by this commission in the very near future. I know the hon. gentleman is desirous of obtaining something of that kind too. I am sure that all of us would be very happy if we could have a report that would be helpful enough to give a lead as to what might be done.

I know that the premier of Quebec says that this royal commission is not properly constituted; but I hope that his feelings will not prevent the commission doing that which it was charged with doing, namely, not to interfere with provincial jurisdiction in any way, and with a full realization of the responsibility of the provinces for health matters, but to endeavour to find a way whereby the federal parliament might act for the benefit of all Canadians.

Item agreed to.

Governor General and Lieutenant governors—

162. Office of the secretary to the governor general, $220,633.

Mr. Pickersgill: In connection with this vote, Mr. Chairman, I wish to ask the Prime Minister whether any change has been made recently in the arrangements for the expenses of the lieutenant governors, apart from their salaries.

Mr. Diefenbaker: Yes, Mr. Chairman. In the supplementary estimates, vote No. 529, there is an item to authorize reimbursement to the lieutenant governors of the provinces of Canada of the costs of travelling and hospitality incurred in the exercise of their duties, and so on. The amount of this vote is $43,000.

The purpose of this item is to increase by 50 per cent the amounts of the allowances payable to lieutenant governors to reimburse them for the costs of travelling and hospitality incurred in the exercise of their duties.

The case for having these allowances is, I think, best stated in the words of the prime minister of the day, Mr. St. Laurent, when the proposal was first introduced. He said, in effect, that the government did not feel it was the mood of the Canadian people to abolish the office of lieutenant governor and that as long as the function was maintained as part of our constitution "it would not be desirable that it be one available only to persons who could, out of their own resources, provide the services that have to be rendered to the public".

Item agreed to.

The Deputy Chairman: This completes the estimates of the privy council.

DEPARTMENT OF VETERANS AFFAIRS

453. Departmental administration, $2,550,941.

Hon. Gordon Churchill (Minister of Veterans Affairs): Before the committee deals with the various items I should like to make, briefly, a few remarks. The estimates of the Department of Veterans Affairs were considered by the standing committee on veterans affairs. If our committee system is working satisfactorily, as I think it is, estimates which come before committees such as that should normally take up less of the time of the house itself in committee of the whole. At the same time when we are dealing with a department as important as this one I have no objection whatever to comments or discussion with regard to any factors pertaining to the department. However, I just wish to remind the committee and in particular those who were not members of the standing committee that the most careful attention was given to these estimates. The officials of the department were present and made statements outlining the duties of their various branches in addition to answering questions put to them by members of the committee. It was an all party committee. I thank the standing committee for the very careful attention it gave to the work of the department and for the suggestions which were brought to my notice by members. I think it performed its proper function and I am grateful to the members who so diligently attended the meetings.

The situation with regard to the veterans of Canada is not materially different from

what it has been over the year. The veteran population is something over one million. I think about 1,100,000 people are still living who at one time or another, in one war or another, have put on the uniform and served their country—I am speaking of both men and women. Of that number, something over 80 per cent survived without serious trouble and have been able to look after themselves in the course of their lives up to the present time. Unfortunately, between 17 and 20 per cent of those who survived suffered disabilities or difficulties and have had to receive a certain amount of assistance which a grateful country has given without hesitation. One of the impressions I have gained here in the House of Commons over the years is that the problem of the veterans receives sympathetic consideration from every part of this house. Of the veterans who are carrying with them over the years the disabilities of the war there are, still on the roll from the first world war, about 48,000 in round figures. The number was at one time close to 100,000. Those suffering disabilities as a result of the second world war number about 104,000. Those drawing war veterans allowances—people who were not seriously wounded but who nevertheless suffered as a result of their war experiences—number in round figures about 48,000.

In addition to the figures I have quoted, there are, of course, the dependents, wives and orphans who receive some assistance.

During the course of the last 12 months, three major measures were dealt with through the Department of Veterans Affairs by the House of Commons. There was the amendment to the Pension Act which increased disability pensions by 20 per cent across the board and provided for a 33⅓ per cent increase in respect of orphan children. A similar amendment to the War Veterans' Allowance Act was considered and an increase of 20 per cent across the board was granted in that case. A third matter which was dealt with and one which had been troublesome for many years involved a change in the regulations governing the Veterans' Land Act reducing to half an acre the minimum amount of land which could be held. This, apparently, has been well received by those concerned. Those were the most important subjects dealt with.

Other matters which are of interest to veterans and to this committee have been given careful consideration by the very competent officials of the department and are now awaiting my study just as soon as this lengthy session terminates. My hope is that some of the problems affecting veterans which are still outstanding may be dealt with agreeably at the next session of the house. However, up to this point this is the progress which has been made and I hope, now, that the committee will give its approval to these estimates or, if there is some matter which hon. members feel should be dealt with, that they will bring it to my attention.

Mr. Carter: I should like to thank the minister for the statement he has just made and also for his kind remarks about the efforts and the work of the parliamentary committee on veterans affairs.

As the minister has pointed out, these estimates were examined very thoroughly in committee. In fact, ten separate sittings were devoted to them. Officials in every branch of the department were available and gave detailed answers to all the questions which the committee asked. The reports of those meetings are in printed form and are available to all hon. members as well as to any members of the public who are interested in securing them from the Queen's printer. The estimates of this department are never controversial, and we of the Liberal party see no need for a prolonged discussion of them at this time.

The minister has referred to the changes which have been brought about in the veterans charter and particularly to the amendments to the Pension Act and the War Veterans' Allowance Act which gave across the board 20 per cent increases to veterans. The hon. gentleman also mentioned the change in the regulations governing the administration of the Veterans' Land Act. We are grateful to the government for what it has done in this regard, and I am sure this has been much appreciated by veterans across Canada.

I am sure the minister will not mind my reminding him that there are still a few little jobs of tidying up which remain to be done. In particular, I have felt myself that the 365 day qualification with respect to service in the United Kingdom in connection with war veterans allowance by veterans of the first world war should be abolished. I think, also, that most veterans are agreed that something more should be done for the widows of veterans. In particular we feel that widows of Canadian citizens who served in the Imperial forces have a special case which merits consideration, and that it would be a good thing if the government could see its way clear to granting free medical treatment to pensioners and their families and to the widows of non-pensioners, too, and also to members of families of the war amputees. We would like to see the ceiling raised with respect to widows of non-pensioned veterans, and that under certain conditions they be

granted pensions as of right. I gather also that the people of Canada, and certainly most veterans organizations, would like to see a change brought about in the legislation so that damages which a widow might collect out of the accidental death of her husband would be treated as life assurance and other assets and not taken into account when the widow's rights to a pension are being considered.

I also think that changes should be made in the legislation whereby a veteran's pension would be made payable to his widow for a full year after his death, and an adequate allowance provided after that.

The committee received representations from many veterans organizations, including the Royal Canadian Legion, the national council of veterans associations of Canada, the war amps association, the Canadian non-pensioned widows association, and other veterans organizations. A study of the briefs submitted by those organizations indicated also unanimous agreement with these proposals. Practically every brief referred to each of these problems and recommended that something be done to correct them.

I must express my own disappointment that when the government was making amendments to the Canadian Pension Act and to the War Veterans' Allowance Act they did not embrace that opportunity to extend the benefits of the veterans charter to the merchant navy, to the rescue tug service, to the fire fighters and to the Newfoundland forestry units of world war II.

I know the minister will not expect me to sit down without reminding him again that the veterans of Newfoundland still are waiting for the necessary changes in legislation which will give them the status of those veterans who served in the Canadian forces, as was stipulated in the terms of union. As it is now the widows of Newfoundland veterans are in a different position from widows of other Canadian veterans. They have no rights. If they are granted pensions it is done as a favour and they forfeit their pensions if they leave the country. I ask the minister and the government to give urgent consideration to this measure and I express the hope that before too long the minister will find it possible to bring about further amendments to take care of those problems. This is all I need to say at this time. There are a few questions which I shall ask on the various items.

Item agreed to.

456. Operation of hospitals and administration including authority, notwithstanding the Financial Administration Act, to spend revenue received during the year for hospital and related services, $45,217,346.

Mr. Carter: I think my question could be put on item 456; it is related to items 456 and 457. Can the minister outline to the committee the policy of the department with respect to discovery of new treatments and of new drugs which might be available for the treatment of veterans in the hospitals operated under the Department of Veterans Affairs?

Mr. Churchill: I cannot give the hon. member specific instances but I have confidence that everything possible is being done with regard to changes, if necessary, in the treatment of veterans because they are so well served by a dedicated medical service across this country. The doctors who serve in our veterans' hospitals are men who are at the top of their profession. Many of them are also instructors or teachers in the medical schools of the universities. They comprise specialists in various aspects of medicine. They go beyond the call of duty in giving assistance to many of our veterans whether they are in hospital or not. Since they keep abreast of their profession, as I am sure they do, and I have met many of them, if any mode of new treatment becomes available it will be introduced. But I repeat what I said earlier; I have no specific instance to draw to the attention of the committee on this occasion.

Mr. McGrath: Would it be apropos under this item to ask the minister just exactly what the department has in mind with respect to the operation of the veterans hospital which is now under construction as an annex to the General hospital in St. John's, Newfoundland.

Mr. Churchill: The same purpose as was served elsewhere, namely to provide an increased number of beds for the treatment of people who require treatment; to improve the active bed situation and also to provide what is known as domiciliary care for people who qualify for that type of treatment in our veterans hospitals.

Mr. McGrath: I do not think my question was understood. Does the department intend to operate the hospital?

Mr. Churchill: It is attached to the St. John's General hospital as a pavilion and will be under the administration of that hospital.

Item agreed to.

460. Veterans' bureau, $716,012.

Mr. Carter: I should like to make one brief observation here, Mr. Chairman. It seems that the personnel in the veterans bureau in the various districts are sort of up a blind alley. There does not seem to be much opportunity for advancement.

In the past I have advocated an increase in the staff of pensions advocates, and particularly that full-time advocates be employed in Newfoundland. After looking over the situation over a number of years it has occurred to me that that might not be necessary; that we are now getting in this office in the various regions a personnel who are very experienced in handling veterans problems and in preparing their cases. I would ask the minister whether he would consider setting up a classification of personnel in which we might have assistant pensions advocates who might not have legal training but who, because of their experience in this work, might be able to do it just as capably and just as competently as members of the legal profession. This is just a suggestion that I would ask the minister to consider for the next year.

Mr. Churchill: I will. As a matter of fact, I was talking about this subject with the deputy minister just yesterday. I had the opportunity of meeting the solicitors who are doing this work and who had assembled in Ottawa for a two-day conference. I had the opportunity of meeting them and talking to them, as did the parliamentary secretary, so that suggestion of the hon. member is under consideration at the present time.

Item agreed to.

461. War veterans allowance board—administration, $170,994.

Mr. Carter: There is just one point I should like to bring to the minister's attention with respect to recipients of war veterans allowance who are under the age of 60. In order for such a veteran to qualify he must somehow get a medical certificate to the effect that he is permanently unemployable. It seems to me that it is very difficult for a man to get such a certificate because in this day of rapid scientific advance, particularly in the medical field, it is most difficult to say that because a person has suffered from a disability for a number of years he will always suffer from it and that there is no chance of his ever improving to the point that he will be able to work. I suggest to the minister that if a person has been disabled for a number of years, say two or three, he should be considered as being sufficiently disabled to qualify for the war veterans allowance. His case could then be reviewed from year to year to see whether any improvement had taken place. I suggest that a person should not be barred until the age of 60 or until he can get somebody to certify that he is permanently disabled.

Mr. Churchill: The problem is not new. It is an important one and has been given consideration in the past. The line is normally drawn at age 60, of course, but there are quite a number of recipients under that age. As a matter of fact, over 4,000 are already on the roll who are under the age of 60. The war veterans allowance board has been very reasonable and lenient in considering these cases. I think it is important though to have this matter drawn to the attention of hon. members as the hon. member has done today. If instances occur where some member thinks that somebody requires attention and perhaps has not been getting it, I would ask the member to write me a letter about the matter and remind me of it again, if he does not get an immediate answer, and we will see that something is done.

Item agreed to.

Miscellaneous payments—

465. Burials and memorials, $1,435,500.

Mr. Carter: Having had the privilege of visiting the memorials at Vimy and Beaumont-Hamel last July, I should like to take this opportunity to place on record my appreciation of the work that is being done by the department in caring for our memorials and graves of our war dead. I had the opportunity of seeing this at first hand and I was much impressed by what I saw. I am sure that parents, other relatives and friends who have loved ones resting over there will be very pleased to know that these graves are being cared for so well.

I should also like to take this opportunity to pay a special tribute to Mr. Allan Chambers, who also looked after the arrangements for the visit to the memorials, for the splendid work he is doing in this regard.

Item agreed to.

Canadian pension commission—

468. Administration expenses, $2,693,268.

Mr. Carter: I have only one question which arises out of a case that came to my attention a short time ago. What is the policy with respect to a veteran who may have been deprived of benefits because of a wrong diagnosis on the part of the D.V.A. medical board that happened to examine the veteran? I have heard of a case where a wrong diagnosis was made on two occasions. On one occasion one diagnosis was made and 10 per cent disability was granted. On another occasion another diagnosis was made and 60 per cent disability was granted. On still another occasion the diagnosis was entirely different and 100 per cent disability was granted. Nothing in the veteran's condition had altered from the beginning to the end. The person was totally disabled right from the beginning and had to employ an attendant. It took several years before the

board actually made the correct diagnosis and awarded 100 per cent disability and an allowance for the attendant as well. Is it the policy of the department to reimburse veterans for losses they have incurred as a result of faulty diagnoses?

Mr. Churchill: In some instances the pension has been paid retroactively. The problem of diagnosis admittedly is difficult and I presume there are differences of opinion in that regard. However, the re-examination of anyone who is in doubt is always possible under the pension commission. The commission stands ready to assist in matters of this kind. If a veteran feels that on re-examination his case might be diagnosed somewhat differently, I presume it is perfectly all right for him to seek re-examination. In some instances but not in all the pension would be retroactive.

Mr. Pickersgill: Before the vote carries I should like to mention something to the minister that came to my notice a few months ago. If a pensioner dies before the date in the month when the cheque has been received, the cheque for that month or part of the month that the pensioner was still alive cannot be cashed, naturally, but there is no payment made to the estate except on application and by grace. In the particular case to which I am referring this really did not matter at all, but it seems to me that there could be many cases where it would be really quite important that the pension should be paid. In my opinion it seems only reasonable and surely it was the intent of parliament that a pension that has been granted should be paid up to the date of the death of the person, even though it is only a fraction of a month. I do not know whether it is the law or whether it is merely a regulation but it does seem to me that this is something which might well be tidied up, not retroactively but for the future.

Mr. Churchill: I was under the impression that was under control but we will look into the matter. My information is that the pension is payable up to the end of the month in which the person died. The head of the pension commission is here and is listening attentively. The matter will be looked into.

Item agreed to.

The Deputy Chairman: This completes the estimates of the Department of Veterans Affairs.

Mr. Jones: May I, on behalf of the minister, thank the committee for their courtesy and the speed with which these estimates have been considered.

The Deputy Chairman: I have before me the supplementary estimates for the Department of Northern Affairs and National Resources.

DEPARTMENT OF NORTHERN AFFAIRS AND NATIONAL RESOURCES

548. Departmental administration including Canada's share of the expenses of the "resources for tomorrow" conference—further amount required, $31,334.

Mr. Pickersgill: This is the departmental administration item, and before it carries I should like to ask the minister if he would give a fuller explanation than he gave the Leader of the Opposition the other day as to why it is taking such a tremendously long time for the government to make up its mind what it is going to do about the Red river floodway in Manitoba?

Hon. W. G. Dinsdale (Minister of Northern Affairs and National Resources): Mr. Chairman, I think the passage of time in respect of these matters is a matter of relativity. As a matter of fact the Winnipeg floodway project has been under discussion since about the year 1950 when the disaster flood occurred in the city of Winnipeg. As a Manitoban I was very much aware of the nature of the disaster that occurred even though my own city of Brandon was not affected directly by the flood. We did, at that time, feel the full impact of the refugee situation that was generated by the flood.

In the past decade there has been a continuing discussion as to how this recurring disaster to the city of Winnipeg might be dealt with, and it is only in recent years, since 1959 as a matter of fact, that a decision has been made to proceed with the Winnipeg floodway which was proposed by the fact-finding committee set up at the time of the disaster. I believe considerable progress has been made on this matter. There is a joint committee of engineers representing the provincial government and our own federal government which has been working on the matter since last spring. They have made considerable progress in considering the engineering problems that arise in connection with a project as extensive as this one. Only in the past few days information has become available in this regard.

As to the matter of sharing the costs, we have had continuing discussions and negotiations on this important point. We have almost reached the point of agreement, but a special problem arose in this connection because, as the hon. member for Bonavista-Twillingate knows full well, this is an international river which rises south of the border. It cannot be regarded, therefore, as one which comes

directly within the terms of the Canada Water Conservation Act which would be the act which would normally apply. This has meant that a special formula has to be worked out, and it is upon this problem we are working at the moment. As I indicated in reply to the Leader of the Opposition the other day, the discussions are proceeding very happily and we hope to make an announcement very shortly.

Mr. Pickersgill: I read the Winnipeg newspapers and I suppose, like time, happiness is also a relative matter. I think perhaps the minister may be happier than the people with whom he is negotiating in Manitoba because the impression one gets from reading these newspapers is that the provincial government is anything but happy with the niggardly way they are being treated by the treasury, as compared with what they were led to expect before March 31, 1958. However, this is not the time to go into that subject.

In order to save time going into the matter on the next item, I should like to ask the minister on this item whether or not the department has in contemplation any special winter works program for national parks, such as it had last year?

Mr. Dinsdale: Yes, Mr. Chairman, we feel that there is a very strong necessity to continue our winter works program much along the same line as we have followed during recent years. This arises particularly from the tremendous upsurge in the numbers of people using the parks. We have preliminary statistics on tourism during the past summer which indicate that there is at least a 15 per cent increase across the board. Our parks have been packed to capacity. We have campsite extension programs under way in almost every one of the national parks and we hope to continue these works under the winter works program during the forthcoming winter.

Mr. Pugh: I should like to ask a question with regard to Rogers pass, having recently come over the route. I find that the federal government has practically completed their portion—that is the part in the national park —of the highway. But as you move eastward a very different story unfolds. You hit the province of British Columbia's part and at that stage it is not so good. I was wondering whether the minister could advise us if a date has been set for the opening of the highway. I should also like to ask what facilities will be available for the travelling public in the nature of camp sites and places to stop over night actually within the park limit.

[Mr. Dinsdale.]

Mr. Dinsdale: I am glad the hon. member raised this point, Mr. Chairman. I have been quite concerned with the importance of the progress on the road through the Rogers pass, particularly in view of the fact that an important international fair gets under way in Seattle next year. This will be one of the main access routes to that fair. We think it will have a significant bearing on our tourist potential in that area.

As to the progress on the part of the highway through the national park, may I say this. We are giving special attention to this section. The hon. member will realize, of course, that this is the only section of the highway for which I have direct responsibility. However, we are hoping that it will be completed for use next summer, which would suggest that we could have an official opening ceremony some time in the early spring. We are fully aware of the situation. I am glad to have had this opportunity to bring the members of the committee up to date on the progress being made.

Mr. Pugh: I should like to ask a supplementary question while we are on this point. When I came down this fall I took the opportunity to drive through the park. The reason I am pressing this matter a little further, Mr. Chairman, in asking the minister if he knows the intention of the provincial government as to when they are going to open their portion is that work on the provincial portion of the road, to my own way of thinking, is so far behind that it will be practically impossible to open the road next year. I am wondering whether there is any correspondence on file in the minister's office from the provincial government in regard to their portion of the road.

Mr. Dinsdale: This is the trans-Canada highway, of course; and, as such it comes under the responsibility of the Department of Public Works. I shall be happy to consult my colleague the Minister of Public Works and bring this query to his attention.

Mr. Pugh: I have just one further question. Have we a budget for expenditures on campsites within the park limits for next year?

Mr. Dinsdale: I am sorry I neglected to answer that part of the hon. member's question. As he no doubt knows, the policy with regard to the construction of campsites and picnic sites along the trans-Canada highway is to have a picnic site every 50 miles and a campsite every one hundred miles. This policy will apply to the entire length of the trans-Canada highway.

Mr. Pugh: There is just one further matter. I hate to keep on pressing these things.

Having cleared up all the questions, may I say to the minister that I hope he will give heavy publicity to this Rogers pass route. It is a beautiful route through the Canadian rockies.

Mr. Chevrier: There is just one question I should like to ask the minister. It comes under another vote in the supplementaries but I think I could ask it under vote 548. I raised it when the estimates of the Department of External Affairs were under consideration but I was not given a satisfactory answer. It has to do with the water levels at the port of Montreal, a matter which is a very serious one for that city. As the minister knows, there is a board of control. I think the chairman of that board of control is one of his officers. Can the minister tell me what is being done to provide the port of Montreal with a sufficient amount of water to take the kind of ships that it has been in the habit of taking? I refer to deep sea vessels. What provision is his department making to protect the down stream levels at Montreal?

Mr. Dinsdale: This problem became a matter for consideration early in the year, as the hon. member will recall. At that time my department was consulted because of its responsibility in the field of water resources and one of our experts was assigned to the task of dealing with this difficulty. I must confess that I have not been in touch with the activities of this particular branch in the past week or so. If I can assist the hon. member I should be happy to send him a letter which provides up to date information as to where the matter stands.

Mr. Chevrier: I wonder whether I could just leave the matter this way so as not to delay the passage of the item. This is a matter of vital concern not only to the port of Montreal but to downstream interests. It is also a matter of vital concern to upstream interests. I am sure that the officers in question are doing their utmost, and that particularly the officer in the minister's department having to do with water resources is doing his utmost to put into effect a plan which will be satisfactory to all concerned. It so happens, however, that the plan is not satisfactory to all concerned and that it is causing grave prejudice to the rights to water resources first, for domestic and sanitary purposes and second, for navigation. These are the two branches as set out in the order of approval of the international joint commission. I bring this matter to the attention of the minister and I ask him to see to it that there is put into effect a plan which will not in any way prejudice the downstream interests on the St. Lawrence river.

Item agreed to.

Northwest Territories and other field services—

555. Construction or acquisition of buildings, works, land and equipment—further amount required, $1,317,300.

The Deputy Chairman: Shall vote 555 carry?

Mr. Pickersgill: Before it carries, may I say that this is a fairly big vote for a supplementary one. I looked in the explanatory material at the back and found that it is just a repetition of what is here. It seems to me that if we are going to vote $1⅓ million, we ought to know a little bit more than we are told there.

Mr. Pugh: Consult C. D. Howe.

Mr. Pickersgill: Unfortunately he is not available at the moment.

An hon. Member: He might be to you.

Mr. Dinsdale: As the general statement in connection with this vote indicates, it is for the construction or acquisition of buildings, works, lands and equipment relating to the Northwest Territories and other field services. If I were to itemize each of the matters under this vote, I think perhaps it might take too much of the time of the committee. Perhaps it would be satisfactory if I indicate that a large part of this vote will be applied to the development work that will be undertaken at Frobisher bay during the coming year.

Mr. Pickersgill: Has that work gone on a little bit faster than was expected or was there a bad estimate earlier in the year?

Mr. Dinsdale: The reason for the substantial supplementary estimate arises from the fact that the decision to proceed with this development has taken place since the main estimates were considered.

Mr. Pickersgill: I congratulate the minister on one decision made by the present government.

Item agreed to.

The Deputy Chairman: That completes the supplementary estimates of the Department of Northern Affairs and National Resources.

DEPARTMENT OF TRADE AND COMMERCE

582. Exhibitions branch—further amount required, $307,050.

Mr. Pickersgill: Mr. Chairman, I notice that this item is for exhibitions. I wonder whether the parliamentary secretary to the Minister of Finance could tell us whether any part of this vote is for the travels of the present minister, under the item "exhibitions".

Mr. Richard A. Bell (Parliamentary Secretary to the Minister of Finance): Mr. Chairman, the hon. gentleman may be quite satisfied that such is not the case.

Item agreed to.

The Deputy Chairman: That completes the supplementary estimates of the Department of Trade and Commerce.

Auditor General's office—

41. Salaries and expenses of office, $1,115,400.

Mr. Pickersgill: Mr. Chairman, I think the parliamentary secretary should be allowed to say a word. Could he explain the large increase in the vote this year.

Mr. Bell (Carleton): The increase is largely due to an increase in the establishment from 141 to 159, or a total addition of 18 personnel. This is due to the addition of six auditors 6, four auditors 5, one auditor 4, six auditors 3, and five auditors 2; less four auditor 1 positions which have been abolished.

Mr. Pickersgill: Could the parliamentary secretary say whether this very considerable increase in the cost of auditing is directly related to the phenomenal rise in the total government expenditures over the last four years.

Mr. Bell (Carleton): Of course, Mr. Chairman. I would not agree entirely with the hon. member when he suggests anything phenomenal in the increase. It has been in accordance with the efficiency of the service which has been provided to the public of Canada. Of course when those services increase, as they have, the audit costs also rise. This has been in accordance with a study which has been undertaken by the public accounts committee. This committee has seen what the Auditor General has been doing, and I think the public accounts committee has been entirely satisfied that this is desirable.

Item agreed to.

Insurance—

164. Departmental administration, $783,123.

Mr. Pickersgill: Mr. Chairman, I wonder whether the parliamentary secretary has any comment to make on this item.

Mr. Bell (Carleton): I have no special comment, Mr. Chairman.

Mr. Chevrier: Is there any intention of amending the Insurance Act?

Mr. Bell (Carleton): There were, of course, amendments considered this year to the Canadian and British Insurance Companies Act and the Foreign Insurance Companies Act. These amendments are of very considerable significance, as the hon. gentleman from Laurier knows. I am not aware of any immediate intention with respect to the Department of Insurance Act itself.

Mr. Pickersgill: There is one question I should like to ask the parliamentary secretary. Does this department cost the treasury a five cent piece, net? I know we have to vote money because of the antiquated way we have of keeping our public accounts; but is this branch of the government entirely self-supporting?

Mr. Bell (Carleton): Mr. Chairman, I think the hon. gentleman is entirely correct. This is charged back on an assessment basis against the companies which are licensed or registered. I think there is no net cost to the government of Canada with respect to this vote, except for the Civil Service Insurance Act.

Mr. Pickersgill: Is there any profit made?

Mr. Bell (Carleton): No, I do not think so.

Item agreed to.

LEGISLATION

The Speaker of the Senate—

190. Allowance in lieu of residence, $3,000.

Mr. Chevrier: Mr. Chairman, it has been the practice in the past—and I would not want to depart from it—to allow these estimates to go through without any discussion. It is certainly not my intention to hold them up, but perhaps the committee would allow me to just say a word in connection with the manner in which the Speaker has dealt with many of the representations which have been made to him from time to time by those of us who sit on this side of the chamber. I have reference now to not only the secretaries and the stenographers who look after our work, but to others as well.

I know it has not been possible for the Speaker to do everything he has wanted to do, but he has always been kind and considerate in his approach to the problems which we on this side of the chamber have brought to his attention. May I just add this, sir, and I will resume my seat.

As the Speaker knows, always during the period of recess some of the secretaries and stenographers are without work. In this instance, it is not going to be too long until we meet again; it will only be a matter of two months because I understand there will be a new session of parliament in early December. It has been brought to my attention that because of the hardship that is being felt by some of these persons the Speaker might wish to give consideration to

allowing them to stay on for that short period of time. I wonder, Mr. Chairman, whether consideration could be given to that matter.

Mr. Jung: Mr. Chairman, I wish to say a few words, following the remarks of the hon. member who has just spoken, regarding the secretaries of the House of Commons. In so doing, I am sure hon. members will agree that they are all hard working and loyal, and that they deserve even greater recognition. It is therefore my intention to bring to the attention of the committee certain suggestions which I hope will not only improve their working conditions but will also help the members of parliament in the discharge of their responsibilities.

No doubt there will be some hon. members who will greet my suggestions with the reply that this is the way it has always been done. I do not have the advantage of knowing what conditions existed when we were in opposition, so I base my remarks purely on my own experience since I was elected in 1957.

When I first came to Ottawa, Mr. Chairman, I was under the impression that parliament at the most sat for six or seven months out of each year. Those who were employed as secretaries to the members of parliament understood, therefore, that there would be a period of five or six months when they would not be employed by parliament and that it would be their own responsibility to find other employment or just take a holiday. For a long time we had a considerable number of married women on the staff who found this arrangement quite satisfactory because it enabled them to supplement the family income and during the adjournment they were able to spend a few months at home.

I believe the situation has now changed and that a very large number of single girls are now employed who, as the hon. member for Laurier said, because of the irregular pattern of the sessions of parliament find it extremely difficult to make plans for other employment. Under the best of circumstances, when our secretaries go to the civil service to look for other employment during the recess or adjournment they take a considerable cut in pay, even though because of the experience they have received in the House of Commons they are given greater responsibility than other girls in the civil service with whom they work.

I can understand the reluctance of the civil service to employ secretaries from parliament hill because they can in no way be considered permanent employees. But even so, the girls who need work do not object too strenuously to this arrangement because there is at least other employment.

However, in these last two sessions of parliament more secretaries have experienced difficulty in finding work with the civil service because the recess and the adjournment have been so short that the civil service did not even want to hire them. It may be answered, Mr. Chairman, that these girls can draw unemployment insurance, but I have received a number of complaints from secretaries who filed their claim on the day parliament went into recess last July but who had to wait almost a month before they received their first unemployment insurance cheque. I wrote to the Minister of Labour about this, and after he looked into the situation, he confirmed that some benefit payments had been delayed because the records of contribution had not been forwarded to the local unemployment insurance commission office. Surely, we have had enough experience with recesses and adjournments that a secretary need not suffer any embarrassment caused by waiting for her unemployment insurance. In this connection I have been assured by the Minister of Labour that a close watch will be kept on the situation so that it will not happen again.

The argument has been put forward that the rates of pay for the secretaries of the House of Commons are deliberately fixed higher than those received by other secretaries working for private firms so that they are compensated somewhat for periods of unemployment. I suggest that this is unfair, because no matter what salary you give to our secretaries they only receive that rate for the number of months during which they are employed, and the extra salary they receive in no way compensates for the months during which they are unemployed; neither does it help to make up the salary which they receive during the adjournment from the civil service to the level of the remuneration which they receive when working in the House of Commons. At the same time, there might be some secretaries who are not as highly qualified as we would like them to be, or according to civil service standards, but that is the fault of the member of parliament for hiring her and not the fault of the girl.

It has also been said that these secretaries do not have to work in the House of Commons if they are dissatisfied with the conditions. I feel that this statement is not quite fair, because these girls would be the first to admit that they enjoy their work here, and surely we should not take advantage of their desire to work for us. None of us has to be here, but we are here because we want to be here. If we find a girl who is a topnotch secretary we want to keep her, but unless we can offer her better working conditions I am very much afraid that they will be forced

through economic reasons to look for employment elsewhere. We all realize that it takes a long time to train a secretary so that she becomes familiar with your own work, and that is another reason why we should make it attractive for her to stay on at the House of Commons.

I repeat that under ordinary circumstances and with shorter sessions, the problem of secretaries would not be as great. However, with longer sessions the problem is very urgent. Lest it be thought that I am thinking only of the welfare of the secretaries, let me emphasize that I am also concerned with the efficiency of the members of parliament in the discharge of their duties, and our efficiency is lessened by not having our secretaries available for work during our evening sessions; by not having secretaries during the recess and adjournment, and by not having dictating machines so that we can put work on tape for our secretaries. I am sure that all of us recall the earlier part of this session when many were attending committee meetings which started at 9 or 9.30 a.m., and then going to the House of Commons at 11 a.m. If we spent all our time sitting in the house, which did not rise until 10.30 p.m., there was no time left to look after our correspondence. If we had dictating machines, many of us could do a lot of work in the evenings, particularly when we sit from 7.30 p.m. to 10.30 p.m., when the secretaries have gone home.

We have now reached a stage where the government has recognized that it is in the interest of greater efficiency that each member of parliament should have his own secretary. This is a very recent move but I think that it recognizes that improvements were overdue. I suggest we should now carry these changes one step further by granting to each member of parliament an allowance for a secretary who would be on a full time basis, which allowance would also be sufficient to cover her travel expenses to and from the House of Commons from her home. It would then be up to the member to decide if he wants to employ her only when the house is in session or if he also wants her to work in his own constituency. There might be a danger of different salaries being offered by individual members of parliament but I think a standard contract could be worked out. I also think the member of parliament should still have the privilege of recommending a girl for employment as his secretary, although the House of Commons would do the actual hiring.

I think that by having a secretary on a full time basis, we would have greater efficiency and continuity. I am sure hon. members will appreciate how difficult it is to get any work done while the house is in recess or while it is adjourned, and if you do not have a secretary in your own office, it is very difficult, if not impossible, to make any replies or do any work satisfactorily.

I think we should also bring the salary range into line with those received by secretaries assigned to the other place. For example, a secretary to a member of parliament must wait five full sessions before she reaches the maximum rate of pay. Secretaries in the other place, however, reach their full maximum after only three sessions. In my opinion, secretaries in the House of Commons work a great deal harder and are under much greater pressure, and I see no reason why there should be this disparity.

The government of Canada is the biggest business in the country. Surely we can apply good business methods of administration to running this colossal undertaking. In my discussions back home I have pointed out some of the problems facing members of parliament, and I always received the classic answer "You are in power now, why don't you do something about it?" I believe that by assigning a secretary to each member of parliament the government recognizes the need of some improvement. I think the suggestions I have made are consistent steps, and if sessions keep up the way they do then I suggest it is time we consider parliament being placed on a full year basis at it is in England.

Certainly, I personally find that because of the nature of the present sessions, my law practice in Vancouver is completely lost and so I might as well devote my time to politics. And if I am to devote my full time to politics, I may as well become a professional in this field, because government is now so complex that it is no place for amateurs. We no longer dabble in politics as if it were a hobby. We work very hard at it.

I think that if the government were to implement my suggestions, the over-all cost of administration would not be great. The secretaries would be much happier; their morale would increase considerably and, equally important, I think the work output for each member of parliament would reflect this increased efficiency.

198. General administration—estimates of the Clerk, $2,215,340.

Mr. Speaker: So that I shall not lose entierly this single opportunity of the year to speak from the floor of the house, I want to thank the hon. member for Laurier for his very generous reference to my administration of the staff of the House of Commons. I also

wish to thank the other members who have spoken for their very constructive suggestions which it will be of great pleasure to take into account and bring before the commissioners of internal economy, particularly at this time when consideration is being given to new estimates and an opportunity is available to make good some of the deficiencies.

The administrative responsibilities are substantial, but I have enjoyed the assistance of a very competent staff. I should like to thank them and to pay my tribute to the Clerk of the house and to his assistants, to the Sergeant-at-Arms, to the legislative council and to all the chiefs of the various branches of the house and their respective staffs.

The continuous staff are, I think, particularly badly off because in this unusual session perhaps they have not received the compensation which would make good to them the extra time they put in when the house sits for long hours over many months, inasmuch as such compensation is not adequate for the pattern which this particular session has taken. A good deal of thought has been given and is being given to what alternatives are possible not only for the continuous staff but for the sessional staff to which the hon. member for Laurier and, as well, the hon. member for Vancouver Centre made reference. It is true that many of those who work here sessionally do it by preference because they like part-time work; but there are many others who are working sessionally who are dependent upon their earnings for their livelihood. How to meet that difficulty is a problem. If sessions are to be as long as this one, we suggest that perhaps when we are sitting most of the year consideration might be given to an annual rate. It is true that the sessional rate has been rather better than the normal rate because of the disadvantage of a period of recess.

Various alternatives are being presented. One alternative proposed is for parliament to adopt the procedure of sitting at regular times so that those who work in parliament will know when they will be employed and when they will not. Another alternative suggested for consideration is that of an annual rate. With respect to stenographers, another suggestion is that an allowance might be made to members which will enable them to supply themselves with stenographic service the year round.

In any event, I think hon. members will agree that during the latter part of this session we have improved the service to the extent that every member who required stenographic service has been able to receive it.

I do not want to break the rules myself.

Mr. Chevrier: No one would dare call you to order.

Mr. Speaker: I do appreciate the things that have been said and the helpful suggestions that have been made.

Item agreed to.

Resolutions adopted in committee of supply this day reported and concurred in.

BUSINESS OF THE HOUSE

Mr. Pallett: I wonder whether the permission of the house could be given at this stage for the preparation of the order paper with respect to divorce bills so that they will appear next Tuesday as separate items. I believe the arrangement was made when the notice was given by the hon. member for Halifax who, as we all know, is at an international conference. On his behalf I would ask that this arrangement be made with respect to the order paper for next Tuesday.

Mr. Pickersgill: I see no objection to that.

Mr. Speaker: Does the house then accept this as notice in accordance with its previous order?

Some hon. Members: Agreed.

Mr. Pallett: They could be separated for Monday in the event that we arrived at that position; I do not think it is possible.

Mr. Speaker: It is agreed that the divorce bills be printed in total in the order paper for Monday and the following days?

Mr. Chevrier: In the light of what has happened today, and of the progress made, I think we were well advised to sit on Saturday. Will the leader of the house give an indication of what the business will be from now until the end of the session?

Mr. Churchill: Mr. Speaker, again I should like to thank the house for the expedition and the care with which it dealt with estimates today.

We have now left for the consideration of the house Bill No. C-131, which deals with fitness and amateur sport. This will be the first item to be called on Monday; then, Bill No. C-126, dealing with the so-called Pine Point railway. This will be called as the second item on Monday.

The remainder of the business would be Bill No. C-122 with regard to tax collection agreements between the government of Canada and the provinces; the estimates of the Department of Finance and the remaining estimates of the Department of Transport.

Business of the House

For Monday I would propose to call the two bills I have mentioned, the fitness bill and the Pine Point railway bill and then, during the course of the day, determine the situation because we have to take into account this problem of the divorce bills, and the time that may be required by the other house to give its consideration to four measures which will likely reach it by Monday night, namely the centennial bill, the civil service bill and the two that we will be dealing with on Monday. Therefore it is difficult to determine at this moment what time will be required for winding up the business of the House of Commons. It looks now as if on Tuesday night parliament will be finished.

Mr. Chevrier: I take it that there will be no other legislation over and above the three measures to which the minister has made reference.

Mr. Churchill: Unless something untoward occurs between now and Monday I do not foresee any other legislative items.

It being ten minutes past six o'clock, the house adjourned, without question put, pursuant to special order.

[The following items were passed in committee of supply]:

PRIVY COUNCIL

312. Payment, notwithstanding anything in the Financial Administration Act or the Senate and House of Commons Act respecting the independence of parliament, to each member of the Queen's privy council for Canada who is a minister for whom no salary or allowance in addition to the allowances under section 33 and section 44 of the Senate and House of Commons Act is provided (the acceptance of which shall not render such member ineligible or disqualify him as a member of the House of Commons) of a salary of $7,500 per annum and pro rata for any period less than a year, $7,500.

Privy council office—

313. General administration, $563,390.

Prime Ministers' residence—

314. Maintenance and operation, $25,000.

Emergency measures—

315. Administration and operation of the emergency measures organization, $1,053,453.

316. Construction of houses for officers at regional emergency headquarters, $200,000.

Special—

317. Expenses of the royal commission on railway problems including the payment, notwithstanding the Civil Service Act, of honoraria or allowances as may be authorized by the treasury board to officers, clerks or employees permanently employed in the civil service for services rendered by them to the commission, $40,870.

318. Expenses of the royal commission on government organization including the payment, notwithstanding the Civil Service Act, of honoraria or allowances as may be authorized by the treasury board to officers, clerks or employees permanently employed in the civil service for services rendered by them to the commission, $750,000.

Governor General and Lieutenant-governors—

162. Office of the secretary to the governor general, $220,633.

163. To authorize reimbursement to the lieutenant-governors of the provinces of Canada of the costs of travelling and hospitality incurred in the exercise of their duties up to a maximum per annum for each as follows:

(a) where the population of the province at the last decennial census did not exceed 500,000, $5,000;

(b) where the population of the province at the last decennial census exceeded 500,000, $5,000 plus $1,000 per each 100,000 or fraction of 100,000 of population over 500,000, but not exceeding $12,000 in any case, $86,000.

529. To authorize reimbursement to the lieutenant-governors of the provinces of Canada of the costs of travelling and hospitality incurred in the exercise of their duties—further amount required and to increase the maximum amounts set out in vote 163 of the main estimates, 1961-62, as follows: (a) where the population of the province at the last decennial census did not exceed 500,000, $7,500; (b) where the population of the province at the last decennial census exceeded 500,000, $7,500 plus $1,500 per each 100,000 or fraction of 100,000 of population over 500,000, but not exceeding $18,000 in any case, $43,000.

PRIVY COUNCIL

Special—

556. Expenses of the royal commission on railway problems—further amount required, $56,580.

557. Expenses of the royal commission on government organization—further amount required, $1,577,480.

Special—

558. Expenses of the royal commission on Canadian magazines and other periodicals including the payment, notwithstanding the Civil Service Act, of honoraria or allowances as may be authorized by the treasury board to officers, clerks or employees permanently in the civil service for services rendered by them to the commission, $35,600.

559. Expenses of the royal commission on the motor vehicles industries including the payment, notwithstanding the Civil Service Act, of honoraria or allowances as may be authorized by the treasury board to officers, clerks or employees permanently employed in the civil service for services rendered by them to the commission, $16,000.

560. Expenses of the royal commission on health services including the payment, notwithstanding the Civil Service Act, of honoraria or allowances as may be authorized by the treasury board to officers, clerks or employees permanently employed in the civil service for services rendered by them to the commission, $125,000.

DEPARTMENT OF VETERANS AFFAIRS

453. Departmental administration, $2,550,941.

454. District services—administration, $3,556,427.

455. Veterans' welfare services, $3,891,673.

Treatment services—

456. Operation of hospitals and administration including authority, notwithstanding the Financial Administration Act, to spend revenue received during the year for hospital and related services, $45,217,346.

457. Medical research and education, $389,000.

458. Hospital construction, improvements, equipment and acquisition of land, $5,362,000.

459. Prosthetic services—supply, manufacture and administration including authority, notwithstanding the Financial Administration Act, to spend revenue received during the year for prosthetic and related services, $1,417,258.

460. Veterans' bureau, $716,012.

461. War veterans allowance board—administration, $170,994.

War veterans allowances and other benefits—

462. War veterans allowances, $59,845,000.

463. Assistance fund (war veterans allowances), $3,745,000.

464. Treatment and other allowances, $2,400,000.

Miscellaneous payments—

465. Burials and memorials, $1,435,500.

466. Grant to army benevolent fund, $18,000.

467. Grant to Royal Canadian Legion, $9,000.

Canadian pension commission—

468. Administration expenses, $2,693,268.

469. Pensions for disability and death, including pensions granted under the authority of the civilian government employees (war) compensation order, P.C. 45/8848 of November 22, 1944, which shall be subject to the Pension Act; and including Newfoundland special awards, $147,484,000.

470. Gallantry awards—world war II and special force, $24,500.

Soldier Settlement and Veterans' Land Act—

471. Administration of Veterans' Land Act; soldier settlement and British family settlement, $4,932,050.

472. Upkeep of property, Veterans' Land Act, including engineering and other investigational planning expenses that do not add tangible value to real property; taxes, insurance and maintenance of public utilities, $35,050.

473. Grants to veterans settled on provincial lands in accordance with agreements with provincial governments under section 38 of the Veterans' Land Act and grants to veterans settled on dominion lands, in accordance with an agreement with the

Supply—Items Passed

Minister of Northern Affairs and National Resources under section 38 of the Veterans' Land Act, $75,000.

474. Grants to Indian veterans settled on Indian reserve lands under section 39 of the Veterans' Land Act, $60,000.

475. Reduction of indebtedness to the director of soldier settlement of a settler in respect of a property in his possession, the title of which is held by the director, or such soldier settler loans which are administered by the Indian affairs branch of the Department of Citizenship and Immigration, by an amount which will reduce his indebtedness to an amount in keeping with the productive capacity of the property or his ability to repay his indebtedness under regulations approved by the governor in council, $1,000.

476. To authorize, subject to the approval of the governor in council, necessary remedial work on properties constructed under individual firm price contracts and sold under the Veterans' Land Act and to correct defects for which neither the veteran nor the contractor can be held financially responsible; and for such other work on other properties as may be required to protect the interest of the director therein, $6,000.

Terminable services—

477. Veterans benefits, including assistance and the training of certain pensioners under regulations approved by the governor in council, $769,450. Repayments in such amounts as the Minister of Veterans Affairs determines, not exceeding the whole of amounts equivalent to the compensating adjustments or payments made under the act hereunder referred to, where the persons who made the compensating adjustments or payments received no benefits under the Veterans' Land Act, or where, having had financial assistance under the last mentioned act, they are deemed by the minister on termination of their Veterans' Land Act contracts or agreements to have derived thereunder either no benefits or benefits that are less than the amounts of the compensating adjustments or payments—

478. Repayments under subsection (3) of section 12 of the Veterans Rehabilitation Act, $5,000.

Soldier Settlement and Veterans' Land Act—

494. Protection of security—soldier settlement, and refunds of surplus to veterans, $3,300.

495. Purchase of land and permanent improvements; cost of permanent improvements to be effected; removal of encumbrances; stock and equipment; and protection of security under the Veterans' Land Act, $34,743,975.

Treatment services—

595. Operation of hospitals and administration—further amount required, $350,000.

596. Hospital construction, improvements, equipment and acquisition of land—further amount required, $200,000.

War veterans allowances and other benefits—

597. Treatment and other allowances—further amount required, $525,000.

Miscellaneous payments—

598. Burials and memorials—further amount required, $185,000.

Canadian pension commission—

599. Pensions for disability and death, including pensions granted under the authority of the civilian government employees (war) compensation order, P.C. 45/8848 of November 22, 1944, which shall be subject to the Pension Act; and including Newfoundland special awards—further amount required, $31,250,000.

War veterans allowances and other benefits—

610. War veterans allowances—further amount required, $15,300,000.

DEPARTMENT OF NORTHERN AFFAIRS AND NATIONAL RESOURCES

548. Departmental administration including Canada's share of the expenses of the "resources for tomorrow" conference—further amount required, $31,334.

National parks branch—

National parks and historic sites and monuments—

549. Construction or acquisition of buildings, works, land and equipment—further amount required, $987,750.

Water resources branch—

550. Contributions to the provinces towards the construction of dams and other works to assist in the conservation and control of water resources in accordance with agreements entered into between Canada and the provinces—further amount required, $1,000,000.

Northern administration branch—

Education division—

551. Construction or acquisition of buildings, works, land and equipment—further amount required, $280,400.

Welfare and industrial divisions—

552. Construction or acquisition of buildings, works, land and equipment—further amount required, $66,600.

Yukon Territory—

553. Operation and maintenance—to extend the purposes of vote 302 of the main estimates for 1961-62 to include the grant detailed in these estimates, $1.00.

Northwest Territories and other field services—

554. Operation and maintenance—to extend the purposes of vote 304 of the main estimates for 1961-62 to include authority to sell electric power and fuel oil (and to provide services in respect thereof), in accordance with the terms and conditions approved by the governor in council, to private consumers in remote locations where alternative local sources of supply are not available and to provide for grants as detailed in these estimates, $110,000.

555. Construction or acquisition of buildings, works, land and equipment—further amount required, $1,317,300.

National parks branch—

National parks and historic sites and monuments—

609. Construction or acquisition of buildings, works, land and equipment—further amount required in respect of a program which will provide employment in Cape Breton, $1,100,000.

DEPARTMENT OF TRADE AND COMMERCE

A—Department—

General administration—

581. Departmental administration—further amount required, $299,335.

582. Exhibitions branch—further amount required, $307,050.

Auditor General's office—

41. Salaries and expenses of office, $1,115,400.

Insurance—

164. Departmental administration, $783,123.

LEGISLATION

The Senate—

The Speaker of the Senate—

190. Allowance in lieu of residence, $3,000.

191. General administration, $799,862.

House of Commons—

The Speaker of the House of Commons—

192. Allowance in lieu of residence, $3,000.

Deputy Speaker of the House of Commons—

193. Allowance in lieu of apartments, $1,500.

Members of the House of Commons—

194. Allowance to the deputy chairman of committees, $2,000.

195. Expenses of the Canada-United States inter-parliamentary group, of delegates attending other inter-parliamentary conferences, expenses connected with visits of delegates from other legislatures and Canada's fee for membership in the inter-parliamentary union, $20,000.

196. Canada's share of the expenses of the commonwealth parliamentary association including subscriptions to publications of the association, $21,000.

197. Grant to the Canadian North Atlantic Treaty Organization parliamentary association, $14,000.

198. General administration—estimates of the clerk, $2,215,340.

199. Estimates of the Sergeant-at-Arms, $1,032,470.

200. Pension to the unmarried sister of the late colonel Harry Baker, M.P., $700.

The Senate—

535. General administration—further amount required, $5,000.

DEPARTMENT OF AGRICULTURE

Production and marketing branch—

496. Agricultural Stabilization Act administration —further amount required, $142,479.

497. Contribution to Manitoba for expenses incurred in the period July 18, 1959, to May 24, 1961, in respect of crop insurance in the amount that would otherwise have been paid if the agreement entered into on the 24th day of May, 1961, by Canada with Manitoba pursuant to the Crop Insurance Act had been entered into on the 18th day of July, 1959, $174,393.

498. Subsidies for cold storage warehouses under the Cold Storage Act, $250,161.

Dairy products division—

499. Grants and other assistance in accordance with the Cheese and Cheese Factory Improvement Act—further amount required, $56,383.

Fruit and vegetable division, including maple products and honey—

500. Assistance in construction of potato warehouses under terms and conditions approved by the governor in council—further amount required, $69,594.

Health of animals division—

501. Operation and maintenance—further amount required, $582,690.

502. Construction or acquisition of buildings, works, land and equipment—further amount required, $51,500.

503. Compensation for animals slaughtered—further amount required, $1,380,000.

504. Contributions to the provinces, in accordance with regulations of the governor in council, of amounts not exceeding two-fifths of the amounts paid by the provinces to owners of animals that have died as a result of rabies since the first day of July, 1960, $15,000.

Livestock division—

505. Special grant to Calgary exhibition and stampede, $200,000.

Production and marketing branch—

Livestock division—

603. To extend the purposes of vote 23 of the main estimates for 1961-62 to authorize, subject to the terms and conditions thereof, the issue by the Minister of Agriculture of premium warrants for high grade lamb carcasses, and to provide a further amount of, $380,000.

Plant products division—

604. Contributions to Alberta, Saskatchewan and Manitoba in accordance with terms and conditions prescribed by the Minister of Agriculture, of one half of the amounts paid by those provinces in respect of the transport of fodder and haying equipment and the movement of cattle to feed in the period from the 26th day of June, 1961, to the 31st day of March, 1962, $1,500,000.

605. Contribution to Prince Edward Island, in accordance with terms and conditions prescribed by the governor in council, of one half of amounts paid by that province to potato growers in respect of their 1960 crop as compensation for losses due to fusarium rot to a maximum contribution by Canada of $300 in respect of any one farm, $125,000.

Civil service commission—

506. Salaries and contingencies of the commission —further amount required, $211,455.

Atomic energy—

Atomic energy control board—

37. Administration expenses of the atomic energy control board, $69,515.

38. Grants for researches and investigations with respect to atomic energy, $700,000.

Atomic Energy of Canada Limited—

(Research program)—

39. Current operation and maintenance, including expendable research equipment, $29,756,200.

40. Construction or acquisition of buildings, works, land and equipment and to authorize Central Mortgage and Housing Corporation to undertake construction of works near the Whiteshell Nuclear research establishment for Atomic Energy of Canada Limited, $9,197,700.

Loans, investments and advances—

Atomic Energy of Canada Limited—

479. Advances to Atomic Energy of Canada Limited in such amounts and on such terms and conditions (including the delivery of Her Majesty, in satisfaction of the advances, of obligations or shares of the company) as the governor in council may approve, to finance the construction of the Douglas Point Generating Station (formerly described as an atomic reactor (CANDU) and auxiliary buildings, etc.), $9,075,000.

Library of parliament—

201. General administration, $352,828.

DEPARTMENT OF MINES AND TECHNICAL SURVEYS

A—Department—

Geological survey of Canada—

536. Administration, operation and maintenance—further amount required, $50,000.

Mines branch—

537. Administration, operation and maintenance—to extend the purposes of vote 220 of the main estimates for 1961-62 to include Canada's share of the cost of the Commonwealth committee on mineral processing and to provide a further amount of, $25,375.

Supply—Items Passed

Dominion observatories—

Dominion observatory, Ottawa and field stations—

538. Construction or acquisition of buildings, works, land and equipment—further amount required, $39,000.

Dominion astrophysical observatory, Victoria, B.C.—

539. Construction or acquisition of buildings, works, land and equipment—further amount required, $84,000.

General—

540. Purchases of air photography and the expenses of the inter-departmental committee on air surveys—further amount required, $338,000.

National research council, including the medical research council—

270. Salaries and other expenses, $32,902,571.

271. Construction or acquisition of buildings, works, land and equipment, $5,162,943.

HOUSE OF COMMONS

Monday, September 25, 1961

The house met at 11 a.m.

PRIVILEGE

MR. REGNIER—PROTEST AGAINST PROCEDURE RESPECTING BILL NO. C-129

Mr. Laurier Regnier (St. Boniface): Mr. Speaker, I rise on a question of privilege on the ground that as the result of an irregularity in our proceedings, irreparable damage may be done. The other place will be meeting tonight, and unless I am allowed to raise my objection now the other place may have to deal with legislation that is not legally and effectively before them through an irregularity in our proceedings. The other place is being convened earlier than was planned this week. I am asking Your Honour that I be heard now. My argument will be brief. First I should like to read the proceedings as recorded in *Hansard* of September 18.

Mr. Speaker: Order. The hon. member has made a request which is not within my power to grant. He refers to the irregularity of our proceedings as the basis for his request. He raised a similar objection the other day. From what he said at that time I saw no irregularity and I have not seen any upon further review of what took place. As I indicated, the hon. member was unfortunate in missing the opportunity to speak on the bill on second reading, and he could not expect to be heard now except by unanimous consent of the house.

Mr. Regnier: With respect, Mr. Speaker, may I say this. Last Thursday I was not allowed to complete my argument. The last words I uttered were "In addition". I was told to sit down and out of deference, Mr. Speaker, I followed your instructions. I was not allowed to make a full argument on my point of privilege last Thursday. I am a member of parliament and I represent minorities in western Canada. I insist that I have the full freedom which my mandate allows to a member of parliament.

Mr. Speaker: Order. Will the hon. member indicate the page to which he refers?

Mr. Regnier: I refer to page 8502 of *Hansard*. The part of the proceedings recorded on that page that I wish to read is as follows. It starts at the middle of the page:

> Motion agreed to and the house went into committee, Mr. Chown in the chair.
>
> Clauses 1 and 2 agreed to.
>
> Schedules A, B and C agreed to.
>
> Preamble agreed to.
>
> Title agreed to.
>
> Bill reported.
>
> Mr. Speaker: When shall this bill be read a third time; now?
>
> Mr. Pickersgill: Now, by leave.

I do not think the hon. member for Bonavista-Twillingate (Mr. Pickersgill) has the power of attorney to speak for the whole house.

Some hon. Members: Oh, oh.

Mr. Regnier: No question was put to the house asking for unanimous consent. This is the irregularity of which I complain, Mr. Speaker. Just a simple reading of the record, without doing violence to the English language, would prove my point.

Mr. Speaker: I understood the hon. member to say that he had been prevented from speaking. However, in what he refers me to I see nothing which indicates that he was even present.

Mr. Winch: I should like to raise a question of privilege.

Mr. Speaker: I recognize the hon. member for Vancouver East.

Mr. Regnier: Have I the floor, Mr. Speaker?

Mr. Speaker: I am sorry, but I am afraid the hon. member cannot expect the house to interrupt its proceedings in order to hear him make comments now which there was an opportunity to make when the bill was before the house. It would be disruptive to our proceedings to allow any member who felt that he had not said all he wished to say, or had not been given a full opportunity to do so, or who happened to miss the proceedings, to intervene at another stage and make his speech again or add to it. I think the hon. member will appreciate that fact. He has indicated his interest by raising the point. However, I am afraid that is as far as the matter can go.

Mr. Regnier: With all due respect, Mr. Speaker—

Questions of Privilege

Hon. J. W. Pickersgill (Bonavista-Twillingate): Before the hon. member for Vancouver East raises another question of privilege, and since the hon. member for St. Boniface was allowed to read a good deal of the record of September 18, I should like to read the lines he left out.

Mr. Pallett: What page?

Mr. Pickersgill: This is the same page, 8502. He read:

Mr. Speaker: When shall this bill be read a third time; now?

Then I am reported as saying this. I happened to be the senior person on the front bench on this side of the house at that time, and this was a perfectly normal procedure:

Now, by leave.

Then the record reads:

Mr. Balcer moved the third reading of the bill.

I think the record should be complete.

MR. WINCH—REFERENCE TO ARTICLE IN CALGARY "HERALD"

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, I rise on a question of privilege concerning an hon. member of this house. My question of privilege is based on an article in the Calgary *Herald* of Friday, September 22 where, as is understandable, there is a report on the death of William Duncan Herridge. The report states:

Outspoken diplomat dies at 73.

It points out that this man was a wealthy Ottawa lawyer, diplomat and brother in law of a former prime minister. It goes on to say how he was considered as a leader of the Conservative party. That I do not challenge at all, but I do draw to the attention of the house the fact that in the Calgary *Herald*, where all these statements are made, the picture is that of the hon. member for Kootenay West (Mr. Herridge).

An hon. Member: Where is he?

Mr. Winch: I should like to say that the hon. member for Kootenay West, who is the deputy leader of this group in the house and a national council member of the New Democratic party, is alive; that he is alive physically, mentally and politically, and will continue his constructive contributions for many years in this House of Commons.

Mr. Speaker: I am sure all hon. members of the house will be relieved.

[Mr. Regnier.]

UNITED NATIONS

CONGO—PROVISION OF AIR TRANSPORTATION AND MAINTENANCE PERSONNEL

Hon. D. S. Harkness (Minister of National Defence): Mr. Speaker, as a result of the recent outbreaks of violence in the Congo a serious shortage of internal air transportation and maintenance personnel has developed. This matter was brought to the attention of the various countries concerned by the United Nations secretariat at a special meeting on September 20, when a general request was made for any assistance possible. This request was further amplified on September 22, when more details were furnished as to the exact requirements.

On September 23 the government agreed to provide assistance, and appropriate orders were issued. Two C-119 aircraft of 436 squadron, R.C.A.F., Downsview, left their base at 9.14 and 10.44 on the morning of Sunday, September 24. A C-130B and North Star were also despatched to carry the personnel and extra stores, spare parts, etc., required. These two latter aircraft will return from the Congo immediately they have delivered their cargoes.

Over and above the C-119 detachment, 12 highly qualified supervisory technicians have been provided to assist the United Nations Congo maintenance organization. The entire detachment and supervisors, totalling approximately 80 all ranks, should be in position in the Congo by 7.40 Congo time, Tuesday evening, September 26.

MOTIONS FOR PAPERS

COST OF PINE TREE RADAR STATIONS

Motion No. 162—**Mr. Hellyer:**

For a copy of the Department of National Defence working paper showing the derivation of figures used by the minister in respect to the additional costs to Canada as a result of Canada taking over the operation and maintenance of certain Pine Tree radar stations from the United States air force.

Hon. D. S. Harkness (Minister of National Defence): Such working papers prepared by civil servants or by service personnel for the guidance of departmental officials are, and always have been, considered privileged documents. I must therefore refuse to accept this motion as presently worded. The last time this matter came up was on February 27, when the house refused a similar motion.

Mr. Speaker: Does the minister make the point of order that the matter has been disposed of by the house?

Mr. Harkness: Yes, Mr. Speaker; I make the point that exactly the same matter was disposed of by the house, though in connection with another department, on February

27 when a motion was made by the hon. member for Assiniboia for papers of this kind in connection with the Department of Mines and Technical Surveys. The minister stated that these papers—

Mr. Speaker: I am sorry, but I think the hon. gentleman will agree that although that was a similar motion it was not an identical motion, and the circumstances would therefore not prevent the hon. member who wishes to move for these papers from having the question put before the house.

The house divided on the motion (Mr. Hellyer) which was negatived on the following division:

YEAS

Messrs:

Badanai	McMillan
Benidickson	McWilliam
Caron	Martin (Essex East)
Carter	Martin (Timmins)
Chevrier	Matheson
Clermont	Pickersgill
Denis	Regier
Deschatelets	Richard (Ottawa East)
Granger	Robichaud
Hellyer	Tardif
Howard	Tucker
LaMarsh, Miss	Winch—25.
McIlraith	

NAYS

Messrs:

Aitken, Miss	Hodgson
Balcer	Horner (Acadia)
Baldwin	Horner (The Battlefords)
Baskin	Jones
Beech	Jorgenson
Bell (Carleton)	Jung
Bell (Saint John-Albert)	Keays
Bigg	Kennedy
Browne (Vancouver-Kingsway)	Kindt
Brunsden	Knowles
Cadieu	Korchinski
Campbell (Lambton-Kent)	Lambert
Cardiff	Legere
Chambers	Macdonald, Mrs.
Churchill	MacEwan
Clancy	MacInnis
Coates	MacLean (Queens)
Cooper	MacLellan
Creaghan	Macquarrie
Crouse	McBain
Diefenbaker	McFarlane
Dorion	McGee
Drysdale	McGrath
Fairclough, Mrs.	McGregor
Fane	McIntosh
Flemming (Royal)	McLennan
Forbes	McQuillan
Frechette	Mandziuk
Fulton	Martineau
Gundlock	Matthews
Hales	Monteith (Perth)
Hamilton (Notre Dame de Grace)	More
Hamilton (Qu'Appelle)	Morris
Harkness	Muir (Cape Breton North and Victoria)
Hees	Muir (Lisgar)
Hicks	Nasserden
	Nielsen
	Noble
	Nowlan
	Nugent
	O'Hurley
	O'Leary
	Ormiston
	Pallett
	Pascoe
	Paul
	Payne
	Phillips
	Pugh
	Rapp
	Regnier
	Robinson
	Rogers
	Rynard
	Sevigny
	Simpson
	Skoreyko
	Small
	Smith (Calgary South)
	Smith (Lincoln)
	Smith (Simcoe North)
	Smith (Winnipeg North)
	Speakman
	Starr
	Stewart
	Tassé
	Thrasher
	Walker
	Webb
	White
	Winkler
	Wratten—108.

Mr. Speaker: I declare the motion lost.

CHIGNECTO CANAL SURVEY

Motion No. 163—**Mr. McWilliam:**

For a copy of all communications received by the Minister of Public Works and/or any official of his department, since July 1, 1961, in connection with the survey of the proposed Chignecto canal, together with a copy of the reply to each communication.

Hon. D. J. Walker (Minister of Public Works): I accept the motion, Mr. Speaker, subject to the usual reservations about the production of privileged documents and communications with the provinces.

Mr. Speaker: Shall the motion pass subject to the reservations announced by the minister?

Motion agreed to.

HOUSE OF COMMONS

INQUIRY AS TO RETURN OF MINISTER OF FINANCE

On the orders of the day:

Hon. Lionel Chevrier (Laurier): May I direct a question to the Prime Minister and ask him whether the story which was heard on C.B.C. "News Round-up" this morning to the effect that the Minister of Finance is being summoned back to Canada from Rome is correct.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, the other day a question was raised, I do not know by which hon. member opposite, as to whether the ministers who were participating in the Accra conference would be returning to the house soon. At that time it was expected that the house would be sitting somewhat longer than present anticipations would lead one to believe, in view of the progress that has been made. I discussed the matter with the Minister of Finance and in order to carry out the understanding given to the house I suggested that it might be well for him to be here to answer any questions directed specifically to him, and in particular to pilot through the house the legislation in connection with fiscal

matters which it now seems will be available for consideration by the house on Tuesday or Wednesday. There is no question about directing him to return. It was simply pointed out that because of the unusual co-operation of the opposition, the house was proceeding to get its business done with a celerity that has not really been characteristic in recent months.

Hon. Paul Martin (Essex East): May I ask a supplementary question of the Prime Minister, in view of the happy mood in which he obviously is this morning. As the leader of the delegation, the Minister of Trade and Commerce, is back in the house, does the Prime Minister not think that if the Minister of Finance were to extend his European tour there might be more progress made in the dispatch of public business at this time?

Mr. Diefenbaker: I suggest to the hon. member that he is the last member in this house who should speak about progress in the public business, because he does more than anyone else to interfere with that progress.

(Translation):

SECRETARY AT UNION NATIONALE CONVENTION

On the orders of the day:

Mr. J. P. Deschatelets (Maisonneuve-Rosemont): Mr. Speaker, I should like to put a question to the Minister of Defence Production. Has he any comment to make about a report in this morning's *Globe and Mail* to the effect that his private secretary, Mr. Benoit Parent, attended the Union Nationale convention held in Quebec city Saturday, and does he think that a minister's secretary should identify himself with the Union Nationale in this manner?

(Text):

Mr. Speaker: Order. The hon. member perhaps misconceives the nature of questions on orders of the day. They are supposed to relate to the administrative responsibilities of the government. The private affairs of employees of the minister or of his department, I would think, do not come within that category. If the hon. member does not agree with me I should be glad to hear what he has to say. However, it seems to me that this is not a question which is within the scope of those permissible.

Mr. Deschatelets: Mr. Speaker, I should like the minister to tell us whether it was with his approbation that his private secretary attended this rally.

Hon. Raymond O'Hurley (Minister of Defence Production): Mr. Speaker, I think this matter should be cleared up now. I myself learned of the presence of my assistant secretary at this convention on Saturday through reading the *Globe and Mail* this morning. If he went there he did so as a private citizen, of his own volition and without my approval or approbation. He worked here on Friday and left to go to Quebec city on Friday night. If he went, he went of his own volition.

UNITED NATIONS

CONGO—INQUIRY AS TO CONSULTATION PRECEDING MILITARY ACTION

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, I should like to address a question to the Prime Minister in view of the fact that the Minister of National Defence made a statement this morning concerning additional aid granted by Canada in connection with the Congo operation, with which we all agree. In view of the situation in the Congo, may I ask whether any consultations were held with the United Nations secretariat before there was armed intervention in the province of Katanga?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I must say that as I understand it, this question is not one of immediate importance. It has to do with something that allegedly took place in the past and, as such, I do not think it is a proper one for orders of the day. I suggest that the hon. member place his question on the order paper in the ordinary way.

DISARMAMENT—CANADIAN ATTITUDE TOWARD SPEECH BY PRESIDENT KENNEDY

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): I should like to address a question to the Prime Minister. In view of the statements made in this house on Saturday last by the Secretary of State for External Affairs that the President of the United States would be addressing the United Nations today and making new proposals relative to disarmament, I should like to ask whether the Prime Minister also heard on the radio this morning that his government had received a preview of the speech which was to be made this morning. If so, in view of the prorogation of the house which is anticipated within two or three days, I should like to ask if he will find it possible to make a statement to the house on the government's attitude to the proposals relative to disarmament made to the United Nations I understand only this morning.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I think the house should await the speech by the President of the United States.

Mr. Winch: I understand you have it.

Mr. Diefenbaker: If there are any questions, they can be asked at that time. As to Canada's stand on the question of disarmament, may I say that it has been stated over and over again. The Secretary of State for External Affairs has placed before the United Nations and elsewhere the policy of this government on that matter. But after the speech has been delivered, if the hon. gentleman has any questions in connection therewith I will endeavour to answer them.

TRADE

ACCRA—REQUEST FOR STATEMENT ON CONFERENCE

On the orders of the day:

Hon. Lionel Chevrier (Laurier): May I direct a question to the Minister of Trade and Commerce and ask him whether, as the head of the Canadian delegation at Accra, he has a report to make to the house this morning.

Hon. George H. Hees (Minister of Trade and Commerce): Mr. Speaker, I will be looking forward, as I know my colleague the Minister of Finance will, to making a full report to the house. When he returns I look forward to reporting not only on the economic conference at Accra but also on my visit to five of our major markets in Europe. However, as the hon. member knows, the Minister of Finance will be back in this house tomorrow, and since we attended the Accra conference as a team I think it would be highly desirable that we both give our reports tomorrow. I can assure the hon. member, and all hon. members, that I will be glad then to answer any questions which may be directed to me.

Hon. Paul Martin (Essex East): May I ask a supplementary question of the leader of the delegation. Would the minister put us in a proper mood to appreciate the statement to be made by the Minister of Finance tomorrow by providing us with the text of the speeches delivered by both distinguished gentlemen?

Mr. Hees: Well, Mr. Speaker, I will be glad, as I know the Minister of Finance will, to outline what we said on behalf of Canada at this conference. As the hon. member no doubt knows, it is not considered correct procedure for ministers, when they return to the governments which they represent, and to their houses of parliament, to table the text of speeches delivered at the conference. However, as I say, we will be glad to inform the house of what we said and to answer any questions that might be asked.

Mr. G. J. McIlraith (Ottawa West): I should like to ask the Minister of Trade and Commerce if he released a partial text of his speech to the United Press service.

Mr. Hees: Mr. Speaker, I learned that a text that I used at the conference was mistakenly given to the press. There was no fault on anyone's part, but I did not direct that it should be given out nor did I give it to the press. However, I understand copies of the text did get into the hands of some press representatives.

Mr. McIlraith: In view of the fact that the text has been released to the press service, would the minister release the same text to the House of Commons?

Mr. Hees: I have always been of the belief that two mistakes do not make a thing correct. As I have said, by mistake the text was released to the Canadian Press representatives. I do not believe the hon. member would seriously suggest that I table in this house a document which it is not the custom of commonwealth representatives to table in their parliaments upon their return from such meetings.

Mr. McIlraith: I take it that the minister expects the members of the House of Commons to treat this as another booboo on his part?

Mr. Hees: Coming from an expert in such matters, I am most interested to hear the hon. member's views on this subject.

Mr. Harold E. Winch (Vancouver East): I only wanted to ask one question. In view of what the minister has said, I should like to know whether the mistake was in releasing the text to the press or in what he said.

Mr. Hees: I think it is obvious. I think the hon. member will realize, when he hears the very lucid explanations that will be given to the house by my colleague the Minister of Finance and myself tomorrow, that the mistake that was made was in releasing the text to the press.

URANIUM—INQUIRY AS TO NEGOTIATIONS WITH UNITED KINGDOM

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): I should like to direct a question to the Minister of Trade and Commerce. Can he say whether the renegotiation has been concluded of what he earlier described as a firm contract for the sale of uranium to the United Kingdom? If so, can he report to the house?

Inquiries of the Ministry

Hon. George H. Hees (Minister of Trade and Commerce): No, not yet, Mr. Speaker. While in London on Friday I talked about this matter with Sir Roger Makins, head of the British atomic energy authority, and suggested that we get together again just as soon as possible. He advised me that his schedule will keep him tied up for the next month. However, I hope it will be possible to continue these negotiations very soon after that.

Mr. Pickersgill: Does the minister see any possible terminal date in connection with these negotiations?

Mr. Hees: In a matter as complicated and as important as this, Mr. Speaker, it is impossible to predict a terminal date with any degree of definiteness.

Mr. Pickersgill: I should like to ask another supplementary question. Does the minister still regard this as a firm contract?

Mr. Hees: Mr. Speaker, I think we straightened that matter out a few weeks ago.

Mr. Speaker: I think the hon. member's question, in asking for an opinion, is perhaps not in order.

Mr. G. J. McIlraith (Ottawa West): Mr. Speaker, I have a supplementary question. I should like to ask the Minister of Trade and Commerce whether, since his return, his attention has been drawn to the fact that another uranium mine is shortly to be closed down because of the lack of any allocation under this contract.

Mr. Speaker: I do not see that the hon. member's question is a supplementary one. In any event, it seems to be opening up a line of argument rather than asking for information.

PRODUCTIVITY COUNCIL

OTTAWA MEETING—INQUIRY AS TO PRESS RELEASE

On the orders of the day:

Mr. W. M. Benidickson (Kenora-Rainy River): Mr. Speaker, I should like to address a question to the Prime Minister, who will recall that in our debates last week on unemployment there were questions about the further activities on the part of the productivity council. It was indicated by the Minister of Labour that they would meet today, but all that parliament was informed about was that they would discuss labour-management relations. There is some suggestion that as they meet today they will hold a unique press conference—

[Mr. Pickersgill.]

Mr. Speaker: Order. If the hon. member has a question will he please ask it?

Mr. Benidickson: Yes, Mr. Speaker. My question is this. Has the Prime Minister become acquainted with the press release of the productivity council? Has he also become acquainted with a suggestion that the productivity council may meet not only with the Minister of Trade and Commerce, to whom it is responsible, and the Minister of Labour but might also add another visit, namely to the Minister of Justice with a view to enlarging the amendments that were made to the Combines Investigation Act last year and under which, for export trade purposes—

Some hon. Members: Question.

Mr. Benidickson: —there might be a widening of the legislation. Is this the government's desire?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, that question is so long and so complicated that it is not understandable. So far as the council is concerned, it will be convening today. I think it is to have a two day meeting. I am not acquainted with any press release that was made, and so I think that is as far as I can go.

EXTERNAL AFFAIRS

INQUIRY AS TO EXTENSION OF TERRITORIAL WATERS

On the orders of the day:

Mr. Erhart Regier (Burnaby-Coquitlam): Mr. Speaker, I should like to address a question to the Minister of Fisheries. Now that Norway is reported to be following the example of Iceland and is attempting to enforce the 12 mile limit jurisdiction over its waters, can the minister report what progress is being made toward obtaining an international agreement in this regard?

Hon. J. A. MacLean (Minister of Fisheries): Mr. Speaker, I have nothing to say at this time. In any case, it is a question which should be dealt with by my colleague the Secretary of State for External Affairs.

FISHERIES

NEWFOUNDLAND—INQUIRY AS TO REPORT INTO FAILURE

On the orders of the day:

Mr. C. W. Carter (Burin-Burgeo): I should also like to direct a question to the Minister of Fisheries. My question has to do with Mr. MacArthur's report on his investigation into the results of the fisheries failure in Newfoundland. Will the minister consider tabling Mr. MacArthur's report, preferably before the

end of this session? If the report cannot be tabled before the session ends, will the minister consider making copies available to Newfoundland members at as early a date as possible?

Hon. J. A. MacLean (Minister of Fisheries): Mr. Speaker, I will do everything possible to keep Newfoundland members advised of what the situation is in Newfoundland as accurately as we can assess it.

SINCLAIR REPORT—INQUIRY AS TO INTRODUCTION OF LEGISLATION

On the orders of the day:

Mr. Frank Howard (Skeena): I should also like to address a question to the Minister of Fisheries, and ask him what progress is being made in the attempt to transform Dr. Sinclair's report on licence limitation on the west coast into policy and legislation and when we may expect such legislation to be presented to the house.

Hon. J. A. MacLean (Minister of Fisheries): Mr. Speaker, this is a rather complicated matter which is engaging the time and interest of those in my department. We communicated with the people who are especially interested in this matter. Having had replies from most of them, an attempt is being made to devise a course of action which will be reasonably satisfactory to all concerned. I have nothing further to add at the moment. At a later date I hope I shall be able to report something to the house, but not during this session.

NATIONAL DEFENCE

PINE TREE RADAR STATIONS—SAVING TO U.S.

On the orders of the day:

Hon. Paul Hellyer (Trinity): Mr. Speaker, I should like to direct a question to the Minister of National Defence. Can the minister say whether the taking over of certain Pine Tree radar stations from the United States air force by the Royal Canadian Air Force will result in an annual saving to the United States of approximately $50 million a year?

Hon. D. S. Harkness (Minister of National Defence): Mr. Speaker, naturally I cannot say what are the United States calculations as to the savings they may make through this action. All I can say is what I have already said; that is, what the cost to Canada will be. Those figures are already in the record, having been put there during the course of the debate on the estimates.

Mr. Hellyer: In view of the very considerable discrepancy between the figures given in the United States—

Mr. Speaker: Order.

Mr. Hellyer: —and those given by the minister here—

Some hon. Members: Order.

Mr. Speaker: Order. The hon. member is obviously embarking upon a controversial statement rather than a supplementary question in search of information.

CANADIAN NATIONAL RAILWAYS

REPORTED EXPERIMENTAL USE OF CONCRETE TIES

On the orders of the day:

Mr. Hubert Badanai (Fort William): Mr. Speaker, I wish to direct a question to the Minister of Transport. Notice of this question has been given to the minister. It has been reported that Canadian National Railways are experimenting with ties made of concrete which are imported from the United States. Is the minister in a position to say whether such experimentation is going on, and if so, why could not these ties be made in Canada?

Mr. Speaker: Order. If the minister wishes to answer he may do so, but the same question has already been asked and answered, as the hon. member will see if he refers to the official report.

INQUIRY FOR RETURN

SECTION 96A (2) INDIAN ACT—PROCLAMATION

On the orders of the day:

Mr. Frank Howard (Skeena): Mr. Speaker, I wish to direct a question to either the Secretary of State or the Minister of Citizenship and Immigration. My question is based upon a question of mine which was made an order for return on September 13. I understand it is relatively easy to put the information together. I wonder whether either of these ministers could check to see what progress is being made to comply with the order, and have it tabled.

Hon. Ellen L. Fairclough (Minister of Citizenship and Immigration): Mr. Speaker, I had a report from my department this morning. The hon. member may think it is relatively simple, but that is not the information I get from the department. However, I am told that every effort is being made to procure the answer for the hon. member before the house closes.

Advisory Council on Sports

INDIAN AFFAIRS

SARNIA, ONT.—DISPOSITION OF MONEY FROM LAND SALE

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I wonder if I may ask the Minister of Citizenship and Immigration whether all the moneys paid by Dimensional Investments in respect to the Sarnia Indian reserve have now been disbursed either to the band funds or to the bank.

Hon. Ellen L. Fairclough (Minister of Citizenship and Immigration): Mr. Speaker, all the moneys which were to be disbursed under the terms of the contract have been disbursed.

Mr. Pickersgill: Could the hon. lady say what funds there are that have not been disbursed, and what is their purpose?

Mrs. Fairclough: Speaking from memory, there is approximately $1 million which is either held in a trust fund under the terms of the contract or is held in the band funds. I presume that is the information the hon. member requires.

NUCLEAR ENERGY

INQUIRY AS TO FALL-OUT RESULTING FROM RECENT TESTS

On the orders of the day:

Hon. Paul Martin (Essex East): Mr. Speaker, I wish to ask the Minister of National Health and Welfare if any further readings with regard to radiation levels are available since the last Soviet union explosion took place.

Hon. J. W. Monteith (Minister of National Health and Welfare): Mr. Speaker, my understanding is that the readings as a result of the last explosion, which took place on Thursday of last week, are not available as yet.

SPORTS

ESTABLISHMENT OF ADVISORY COUNCIL ON FITNESS AND AMATEUR SPORT

Hon. J. W. Monteith (Minister of National Health and Welfare) moved the second reading of Bill No. C-131, to encourage fitness and amateur sport.

He said: Mr. Speaker, as was evident in the debate on the resolution, all parties have welcomed the initiative being taken through this bill. As President Kennedy has said of his country:

> The physical fitness of our citizens is a vital prerequisite to America's realization of its full potential as a nation, and to the opportunities of each individual citizen to make full and fruitful use of his capacities.

[Mrs. Fairclough.]

No one, I am sure, will dispute that these words apply with equal force to Canada, or that the legislation now being introduced fills a long felt need.

In presenting these new proposals for the encouragement of fitness and amateur sport we are fully conscious of the fact that we are dealing with a complex and dynamic aspect of Canadian life on which there are widely varying views. Anyone familiar with this field will be aware of the broad range of activities involved, and of the problems to be faced in endeavouring to work out a sound and practical piece of legislation within which such a program can grow and develop in line with both present and future needs.

Even so, it is our view that the bill now before the house will offer an opportunity to achieve most of the things which have been advocated over the years by lay and professional leaders in the fields of fitness, recreation and amateur sport. But as I pointed out in speaking to the resolution, we would welcome any suggestions which would improve the program as now envisaged. Even in its final form this measure might have its shortcomings, which could become apparent as it comes into operation, and which could require amendments to be made from time to time in order to permit the achievement of its full intent.

Furthermore, we have recognized that the objectives of this program cannot be attained in a vacuum. They can only be reached through the network of recreational programs operated by public agencies as well as by the many non-governmental organizations devoted to fitness and amateur sport. We hope that with the full co-operation of professional leaders and volunteer workers it will be possible to add a new dimension to these activities throughout Canada.

I should like to pay a warm tribute to all those who for many years have been labouring actively in these fields. I hope they will regard this new legislation as the fulfilment of their faith and vision; for our expectation is that building on their efforts, this present initiative will furnish that new spark and that new dynamic leadership necessary to achieve a sound, broadly based and sustained effort all across the country. It is this type of pattern which unfortunately in the past seems to have eluded our grasp.

Hon. members will note that the legislation places considerable emphasis on assistance for amateur sport. We are all aware that in the case of professional sport, revenues are considerable, stemming not only from paid admissions but also from various sources such as television and radio. Amateur sport has, unfortunately, lacked the same degree of support. This has meant inadequate financing

for the whole range of amateur athletics, as well as for programs specifically designed for fitness.

Obviously further financial aid is urgently required if existing services for the development of fitness and amateur sport are to be strengthened and extended. Our new program is aimed at fulfilling this requirement. With the assistance now proposed it is possible to foresee a whole new development with respect to sports events supported by federal and provincial governments. We would hope, too, that federal activities in relation to international and national programs would complement and supplement those of the provinces.

In this connection, we are very anxious to assist with joint projects organized and administered by the provinces on a basis that is acceptable to them. Certainly—and I want to make this abundantly clear—the dominion government will be most careful in respecting the rights of the provinces and of local governments in this field, for we are fully aware that if the program is to succeed it must enjoy the wholehearted support of the provinces and, through them, of municipal authorities as well as of local groups within the communities themselves.

There is one further point I would make in relation to the program's scope. The new undertaking will not be concerned solely with the gifted athlete who may be in a position to take part in national and international competitions. It will also be concerned with fitness and sports programs for the great mass of our population. Here I would stress that even the large sum being made available under this program represents but a small part of the total effort required to develop well balanced recreational activities across Canada.

In perusing this bill the house will naturally be interested in comparing its provisions with those of the national fitness act of 1943. Perhaps one or two comments would be helpful on this point. The most significant difference is the amount of financial support provided in the new legislation. The present act makes available the substantial sum of $5 million annually, or about 22 times the amount allocated for somewhat similar purposes under the former provision. I think there can be little doubt that the relatively small sum and the manner in which it was made available under the previous program tended to hamper the work of the then national physical fitness council.

In the years since the 1943 act was introduced, very considerable changes have taken place in Canada. Our population has increased from less than 12 million to over 18 million people. During the interval, provincial and local governments as well as sports groups and organizations have devoted a great deal of effort to the strengthening and extension of fitness and amateur sport programs.

Moreover, the climate of public opinion, as indicated in the many representations received by the dominion government, has changed considerably since the repeal of the former act. As I pointed out in discussing the resolution, there appears to be a growing awareness of the importance of fitness both to the individual and to the nation. Here an important factor has been the advent of new means of communication such as television. The fact that many sports activities are now brought into our homes—whether from another part of Canada or another part of the globe—has done much to stimulate the interest of Canadians in such activities.

Over and above this, Canadian participation in international competitive events is emerging as an important aspect of a growing spirit of nationhood. In the representations made to the government over the past few years, strong desire has been expressed to see government financial aid provided to assist our athletes in competition abroad.

Another distinction between the legislation before us today and the act of 1943 is that the amount of $5 million is set out as a statutory item to be provided each year. No fund is established, as was done under the former act. By making allocations available on a statutory basis the federal commitment will be clearly known, and it will thus be possible for the new advisory council to suggest projects and advise on priorities with the firm expectation that adequate funds will be available from year to year. Continuing commitments and major undertakings requiring a number of years to complete will have as much assurance of financial support as it is possible to give.

At the same time, the statutory approach will provide an important safeguard. Any amounts not expended in a fiscal year will lapse. This means, for example, that in the first few years, when expenditures may be —and I repeat, "may be"—somewhat lower while programs are getting under way, funds will not accumulate in a manner which might lead to a lack of concern for ensuring their careful expenditure.

A fourth important difference in the present legislation as compared with the former act relates to the council. The national physical fitness council established in 1943 was a body with executive authority. Under our new provisions the council will be advisory to the Minister of National Health and Welfare, and expenditures will be subject to the

usual government scrutiny and control. In following this approach we have, of course, looked to the experience gained through the advisory committee on vocational training, the advisory committee for rehabilitation of disabled persons, and the dominion council of health.

A fifth and final point of difference is the fact that the new program will place considerable emphasis on federal aid for national and international sports events.

To sum up, then, we believe we have now developed a program that is more comprehensive, better rounded, and more in keeping with the needs of the people of Canada than that which was formerly in force. In so doing we have tried to benefit from the mistakes of the past, and to lay the groundwork for an undertaking which will provide greater opportunity for harmonious growth in the future.

Turning to the specific objectives of the bill, the house will note that there is provision of assistance "for the promotion and development of Canadian participation in national and international amateur sport." An important aspect of this objective will be furnishing encouragement and assistance to Canada's more gifted athletes in national and international competitions, this to involve the co-operation of national sports organizations. In the past many Canadian athletes with real potential have not had an opportunity to develop to their fullest extent because of the lack of facilities and qualified coaching. Others have not found it possible to pursue amateur sports beyond local competitions even though they may have had the ability to enter national and international sports events. We would hope that when this program fully develops it will offer greater opportunities for persons with athletic ability to participate to the utmost in athletic pursuits of their choice.

In extending greater assistance to Canadian participation in international sporting events, we are merely doing what many other nations have done over the years, and we hope this will help assure a greater measure of parity for our athletes in relation to their fellow competitors from other countries. In taking this action we are also recognizing the fact that Canadians who compete in the Olympics, the British empire and commonwealth games, the Pan-American games and other international championship competitions are ambassadors of good will for Canada. In this connection it should be noted that support by the dominion government must carry with it a responsibility on the part of our athletes. Canada will expect them to exemplify the highest standards of sportsmanship on all occasions.

In developing a formula for federal aid with respect to international competitions, we shall need the advice of the agencies which organize such events, the Canadian Olympic Association, the British empire and commonwealth games association, and the Pan-American games committee. Other sports-governing bodies covering fields not included in these events are also concerned in Canadian participation abroad and these, together with the Canadian sports advisory council, will, I am sure, all have valuable suggestions on how federal support might be provided on an equitable basis. Here again is an area where the advice of the new national council will be of particular importance.

The new program will give major emphasis to promoting amateur sports and fitness for all our young people. Much of the development in this area has centered around community and school athletic programs and so comes within the jurisdiction of provincial and municipal governments. Accordingly we shall be looking to the provinces for suggestions and guidance in this field. Having in mind the valuable experience we have already had in working with provincial authorities under programs such as the national health grants, vocational training and vocational rehabilitation, I have no doubt it will be possible to work out mutually satisfactory arrangements without much difficulty.

In promoting wider participation in amateur sport and recreation, there is a need for more facilities of both the indoor and outdoor variety. Here the federal government plans to move forward in a number of ways to assist with expansion and development.

I might mention, first, that the Department of Northern Affairs and National Resources is continuing to give considerable attention to the expansion of recreational facilities in national parks. Second, there is the important federal contribution being made through the municipal winter works program in the construction of recreational facilities across Canada. Through the co-operative effort of the various levels of government, the Department of Labour can approve projects covering the construction of community rinks, community swimming pools and playgrounds, stadia and playing fields, as well as other recreational facilities. In the last fiscal year outlays under this program amounted to some $15 million, of which the federal treasury paid $3,800,000 for parks, playgrounds and other recreational facilities. Thus while the main objective of the winter works program is to provide useful employment for persons out of work, it has also had as an important

by-product the increase in community recreational facilities across Canada. Incidentally, in these projects alone some 11,000 individuals were employed last year.

A further impetus to the development of such facilities will be afforded by the program we are now discussing. Among other things, it is hoped that this new effort will make it possible to develop some fitness and amateur sport facilities at the federal and provincial level through which courses for coaches and other leaders can be provided. In this connection we plan to seek suggestions from the national advisory council.

Speaking of courses for coaches and other leaders, hon. members will note the bill's provisions for the training of personnel. The emphasis on coaches is deliberate, because we are convinced that if we are to assist young Canadians effectively to discover and develop their capabilities, the number of competent coaches must be increased many times. We believe the potential athletic ability of our young people to be second to none in the world, but it is obvious that they have been handicapped by the lack of opportunities to obtain the proper training. While we cannot expect results overnight, there is every reason to believe that over a period, very satisfactory progress can be made.

Another area in which assistance could be given would be in relieving the shortage of suitably trained persons. As outlined in the bill, this objective may be met through the provision of bursaries and fellowships to provide for graduate training for professional personnel needed in fitness and amateur sports activities. I would also emphasize the importance of voluntary personnel. In a people's program such as we hope this will be, the extensive use of voluntary leadership is essential. One of the major problems for consideration, therefore, will be the ways and means by which progress can be furthered in this area.

A further objective of the new program will be the undertaking or assisting in research or surveys in respect to fitness and amateur sport. Here we have endeavoured to make provision for a variety of projects. For example, there has been a recurring demand for the inventory type of survey of recreational services, facilities and personnel. Many provinces may wish to assess their existing services, facilities and their personnel needs as a part of the long term development of their programs. In all likelihood surveys of this type will receive considerable prominence in the early stages of the new program. In such research projects there would also be a place for studies related to the development of standards.

Another research area in need of financial aid is fitness. Much remains to be learned of the extent to which fitness depends on the mechanical and functional efficiency of the body. The rapid advances in physiology made possible by recent developments in electronic, biochemical and photographic instruments of research have opened up new avenues of investigation. In March of this year the Canadian Medical Association and the Canadian association for health, physical education and recreation held a joint conference on physical fitness. The research personnel attending this meeting included physiologists, neurologists, biochemists, cardiologists, medical doctors, and physical educators qualified to conduct research. Their discussions indicated many gaps in our present knowledge and pointed to the fact that research should be undertaken on the following general problems:

Collection of precise anthropometric data on Canadian school children of all ages in different provinces and information on the combined effect of growth and exercise on stature, weight, muscular and skeletal development.

Measurement of the physical working capacity of representative sections of the Canadian population, both for accurate comparison with data from other countries and to enable changes over the course of years to be observed and measured.

Study of the effect of continuing physical activity or inactivity on normal biological ageing.

Study of the relationship between physical activity and specific disease morbidity.

Study of effect of different types of activity on physical performance.

From these suggestions it is obvious that there are important areas of research to be developed and assisted. We anticipate that this aspect of the new program will be patterned after procedures used in connection with other federal research grants. A panel of research scientists will be established to consider projects submitted for financial support, and liaison will be maintained with other research programs to ensure a coordination of effort and to avoid overlapping.

On the matter of the provision of awards, the house will recall that the former national physical fitness council granted the national amateur athletic achievement award, and that the first recipient was Miss Barbara Ann Scott. This practice of providing certificates, citations or awards of merit is common in many countries as a means of giving national recognition for outstanding accomplishment.

Advisory Council on Sports

We will be looking to the new advisory council for suggestions on the best manner of making such provisions in Canada.

The final objective I would mention is the preparation and distribution of information. Different media may, of course, be used including printed material, films, radio and television. For example, films and film strips may prove helpful in coaching courses. We would also look to an extension of departmental publications on fitness and recreation, which over the years have been very well received and most of which have been made available on a "for sale" basis.

These are some of the directions in which I would expect increased progress to be made through the stimulus of the new legislation. In clause 4 the bill provides for grants to agencies and organizations carrying on activities in the fields of fitness and amateur sport. As I have already mentioned, a satisfactory basis of support will have to be developed to ensure the equitable and effective use of funds. This will not be an easy task but is one which I am sure can be worked out in co-operation with the agencies concerned and with the advice of the new national council.

As to clause 5, considerable discussion with the provinces will obviously be required concerning federal-provincial agreements related to the payment of federal contributions for provincial projects under this program. The basis of distribution of funds among the provinces and matching and non-matching features of grants are but a few of the questions which will be of vital concern here.

The details with respect to both clauses 4 and 5 will be set out in orders in council. This feature we intend to borrow from the national health grants. In this way the formula of assistance and the basis of continuing support can be dealt with in some detail but, at the same time, some flexibility can be afforded in making the changes and adjustments which will arise in developing the program. In the case of assistance to the provinces, of course, any changes affecting the agreements with the dominion government are covered by the provisions of clause 6 of the legislation. This ensures that amendments will be dealt with either through a method of amendment agreed upon and included in the agreement itself or by the mutual consent of the federal and provincial governments.

Clause 7 covers the establishment of a national advisory council on fitness and amateur sport, to which I have already made reference many times in the course of these remarks. It would, of course, be premature at this stage to discuss its membership in any detail, but it will be noted that at least one member shall be appointed from each province. There will also be representation from the federal government. The remaining membership will be derived from various non-governmental sources. A major problem will be to ensure a balance of interest in the wide range of activities covered by the new legislation. We would hope that this could be achieved with a council of from 25 to 30 members. Even with an upper limit of 30 it will only be possible to select a few of the many Canadians who could make a useful contribution to the work of the council.

One further word about the council. It will be noted that appointments may be for up to three years in duration. This could well mean that a number of appointments will be for less than three years, to permit rotation of members. It will also allow for the fact that some organizations may wish to change their representation more frequently than the maximum term provides. Some, for example, may want to be represented by an annually elected president. In any event the bill, I believe, furnishes sufficient flexibility to take care of most problems in this regard.

The house will naturally want to know when we plan to establish the new advisory council being proposed. Before appointing and convening this body it will be necessary to recruit staff and build up a departmental organization to carry out our part of the program. This will take some time, but we will press forward immediately, and when this phase has been completed we will be in a position to hold the first meeting of the national advisory council. I would sincerely hope that this process could be accomplished reasonably soon, thereby setting the course for the implementation of long range plans.

This is not to say, however, that in the interim funds will not be made available for projects which may need immediate attention. I have in mind, for example, further financial support which will be required in connection with Canada's efforts to obtain the winter Olympics in 1968. Another matter of some urgency is the fact that the British empire and commonwealth games association is looking to the government for financial support in connection with the games to be held in Perth, Australia, next year.

All these rather pressing problems will receive consideration by the government and will be dealt with while the over-all plan is being developed. There may be other ad hoc projects which will have to be considered prior to the first meeting of the new advisory council.

In any event, my department stands ready to do its utmost in meeting current needs and in seeing that everything possible is done to get this far reaching new venture off to a good start. I should like to thank hon. members for bearing with me through this rather extended explanation. I trust I have covered the major points of interest and I will, of course, be happy to go into further details when we reach the committee stage.

(Translation):

Hon. Lionel Chevrier (Laurier): Mr. Speaker, I should like to thank the minister at once for the lengthy statement he just made, not only regarding the principle of this legislation, but with respect to the various provisions of the bill before us. In his statement, the minister gave us a general idea of the manner in which this act will be administered.

All those who are either directly or indirectly interested in this important matter must be grateful to the minister for the information he supplied to the house.

It is essential, in my opinion, that we should know not only in a general way but also in some detail, the objects of this legislation, how it will be administered, and the manner in which the national advisory council will operate.

For this reason, I say to the minister that the information he just gave will be very valuable to us.

This bill has three purposes. 1. To encourage, promote and develop fitness and amateur sport. 2. To enter into an agreement with any province to provide for the payment of contributions towards the undertaking of programs designed to promote fitness and sport. 3. To provide for the setting up of a national advisory council on fitness and amateur sport.

This bill is not controversial and will not give rise to partisanship.

The Leader of the Opposition (Mr. Pearson), has made known to the house our stand on this important bill, and I have no intention of repeating what he said. It is for personal reasons and in my capacity as a private member that I am taking part in this debate.

This bill is not only good, it is essential. I am sure that all parties, indeed every hon. member will be in favour of the bill and will readily support it.

In this legislation, Mr. Speaker, we find two recurring words, fitness and sport. The two features of this bill are the promotion and the development of fitness and amateur sports.

It is a sound piece of legislation for several reasons. First because it concerns more particularly our youth. I do not think one can put too much emphasis on the value of sports as an effective training for our youth.

The aim in sports is substantially the same as that in education. It is to develop the natural dispositions of the individual, to build his character, to strengthen his will and intelligence and to give him sounder judgment. But, I do also believe that sports, where practised in a sound and sensible way, can effectively contribute to the intellectual fitness and moral training of the individual.

I consider athletics as an excellent school for courage. The athlete is called upon to do his utmost, to concentrate all his efforts in order to achieve what he is aiming at.

He must often risk the fiercest impacts, ask of his body efforts which will leave him nearly exhausted, but above all he must work constantly at improving his performance because, of course, no one is born an athlete. Heredity is not of much consequence in this field and athletic ability is only the result of constant effort.

Success in sport is impossible without regular and constant repetition of exercises to develop muscles and reflexes, and that is done by hard training.

I have in mind a great athlete, the greatest, I think, in the field of hockey, Maurice Richard, whose brilliant career has warmed the heart of all his compatriots and indeed of every Canadian. But the triumphs he has known were made possible only by his determination, his steadfastness of purpose and his courage in bringing his art to perfection.

It was that kind of courage which enabled him to obtain the highest honours in the world of sports, and it is that same strength of character which must be developed by all athletes aspiring to success, especially those who want to imitate that great athlete.

I am also thinking of another athlete who won fame on the gridiron, another Montrealer, Phil Cornellier.

In the glorious era when the University of Ottawa won the Canadian football championship year after year, Cornellier was one of the brightest stars on the team. His speed, his running ability, his judgment, his power kicks, won the admiration of all those who saw him in action at the time. But his achievements did not stop there. I think his athletic training had much to do with his academic career, in which he later on obtained unlimited success. He was rector of the University of Ottawa, and dean of the faculties of

philosophy and theology. He now lives as a simple Oblate father at the university after such a brilliant career.

In the second place, sports are a training school because they provide the opportunity to exercise self discipline. In a democratic country like ours the discipline necessary for the maintenance of order must be self inspired rather than imposed from outside.

It is said that President Lincoln, on entering an American hospital, collided with a young man who was quite in a hurry getting out. In fact, the president was knocked over and fell. As he was rising slowly, the young man said: "What on earth are you doing? Don't you see where you're going?" Then the president replied: "Young man, there is something wrong within you, in your inner self."

The society in which we live demands from the individual a greater measure of self control. Man must learn to bend his will and conform his actions to the needs of the common weal. In fact, his happiness and success in life are conditioned, to a large extent, by his ability to integrate himself in the life of the community.

In many ways, the practice of sports contributes to instil into the soul that internal discipline which is the best guarantee of success and happiness.

In order to succeed, an athlete should also be able to comply with the needs of concerted effort or team work. In many sports, like football, baseball and hockey, individual feats are less important to the success of a team than harmony and teamwork. Whatever his ability and his desire to shine individually, the athlete should be able to stand aside and co-ordinate his action with that of his teammates. To sum it up, he should make a personal sacrifice for the common benefit of the team.

The happy influence of sport in a young man's education is also evident in many other ways. Such activities stimulate self expression. Living long hours with his fellow athletes, talking and having fun together develop more relaxed personality and faster renewed self confidence. Teamwork and companionship train the young man in self expression and in giving the best of himself. Wherever it may be—at university, college, school, on public playing fields, or even in the great Canadian arenas, sport efficiently contributes to the training of tomorrow's leaders.

In Canada, team work has a particular significance, because it helps bring together from all parts of our vast country athletes who represent the various nationalities and religions comprised in this nation. At a time where complete national unity is of such vital importance, sport can play a significant part as a means of goodwill and understanding.

I am thinking now of "Newsy" Lalonde, one of the greatest of his time, both on lacrosse fields and in hockey rinks. I recently read what he thinks of those with whom he contended. In a talk with the representative of a Canadian magazine, he had particular praise for his opponents. And the same thing happened when Maurice Richard and Gordie Howe made comments with regard to each other. They not only praised each other's achievements, but insisted on moral qualities.

Now, may I ask, how can prejudice and distrust subsist among young athletes brought together in daily life and making a common effort with the greatest and closest possible co-operation?

Inter-scholastic and amateur sports, which oppose teams of different parts of this country, bear the same good fruits.

I recall that several years ago, during the Alexander cup series between Valleyfield and Sydney, Valleyfield authorities organized a grand official reception for the visiting team. I am sure that those young athletes from Nova Scotia, some of whom perhaps were visiting the province of Quebec for the first time, went back home with a better understanding of their French speaking fellow-countrymen and with higher regard for them.

While it is true that clashes of opinion make for better understanding, I believe it is equally true that bodily clashes are often conducive to good will and mutual respect.

In time of peace as in time of war, a nation should be able to rely on a strong and healthy youth. In a rich and young country like ours, those who face life with strength can look forward to a bright future. Our boundless resources belong to the most aggressive and spirited people. They also belong to those who, among this new generation, will show strength, personality and initiative.

Those are a few of the reasons for which, I think, we should support this bill. They are also some of the reasons—there are many more—for which I believe this is an excellent measure.

I should not want to conclude on a discordant note, but may I draw to the attention

of this house an item in the *Nouveau Journal* of Saturday, September 23, 1961, under the by-line of Mr. Jacques Barrette. Let me quote only a few paragraphs of the article entitled:

Will the province of Quebec have its share?

With regard to everything taking place in the federal parliament, at Ottawa, the people of the province of Quebec remain prudent. They are not sure that they will receive their share from those parliamentarians who, more often than not, neglect our wonderful province. This is not chauvinistic, but a statement of fact.

And elsewhere:

One thing always puzzled us. How is it that no hockey team of the province of Quebec has ever been chosen to represent our country at Olympic games or world championships?

And finally, this last paragraph:

Last year, Rev. Father de la Sablonnière, s.j., director of the "Centre de l'Immaculée-Conception", made stirring representations to our governments with a view to securing substantial financial aid, without which the admirable work of those sports devotees is impossible. The "Reverend Father" had also proved unequivocally that the free time of our youth must be properly organized. The best way to achieve this is to get young people interested in sports.

I need not tell the house what place the "Centre des loisirs de l'Immaculée-Conception" occupies in Montreal sports under the leadership of its director, Father de la Sablonnière. Not only did he take particular interest in sports, but he also rendered tremendous service to our youth.

My colleague, the hon. member for Lafontaine (Mr. Ratelle), in whose constituency the "Centre des loisirs" is located, has time and again spoken about it in this house as outside.

I hope that Rev. Father de la Sablonnière's appeal will receive favourable consideration in the future.

Again, I could say something about recreation centres in the parish of St. John the Baptist and of St. Denis, in Laurier riding where tomorrow's youth is being developed, but unfortunately I do not have enough time.

I would only add that recreation centres are to be found everywhere in the province of Quebec and that a wonderful job is being performed there. I hope that, under this legislation, we shall be able to help these establishments as well as the young people who try to improve their bodies and their minds in those magnificent places.

I shall close my remarks with a simple comment, and a rather pleasant one. I thank the minister for having listened attentively to what I said.

It is obvious that the minister will see to it that the act is administered with justice and fairness, whether through a national advisory council or through another body, for all groups, or associations which this legislation concerns.

Since this measure has been welcomed by all the members at the resolution stage and the bill before us will receive the unanimous approval of this house and since, in the administration thereof, there must be no "partisanship", in the broadest sense of the word, I am confident that the minister, through the government, by the well-advised selection of his advisory council, will see to it that the act is administered with justice and fairness throughout Canada.

(Text):

Mr. Erhart Regier (Burnaby-Coquitlam): Mr. Speaker, I intend to occupy even less time than is available before the luncheon adjournment. At the resolution stage the hon. member for Peterborough indicated clearly and ably why the members of this group intend to support this bill at the present stage and also at the ensuing stages.

I have only a few ideas to mention at this time. In the expenditure of this money on physical fitness and amateur sport I hope our government is going to realize the urgent need to develop an adequate number of leaders. Before we can actually have an effective national physical fitness and amateur sport program I believe we shall require tens of thousands more leaders than we now have in this particular field. I believe that one of the most important responsibilities in connection with the expenditure of this amount of money ought to be to prepare a program that will assure us of adequate leadership.

I hope the government is going to be much more successful in obtaining the co-operation of the ten provincial governments in this particular matter than they were in connection with the program of a number of years ago. At the time of the ending of that program only the government of the province of Saskatchewan was taking advantage of the assistance then available. I regret that at that time British Columbia curtailed this program to the point that it no longer participated.

I wish to raise these two points now. I note that the bill contains authority for the federal government to proceed on its own in the expenditure of this money. We all realize that under the terms of the British North America

Act, health and education come within the exclusive jurisdiction of the provinces. Hitherto the provinces to a certain extent agreed to permit Ottawa also to participate in the development of good health in Canada. We have such things as a national hospital insurance program and grants for health. However, in the bill the government takes unto itself the authority to expend this $5 million a year without necessarily receiving the consent of the provincial or municipal authorities.

In the light of our experience with the pro-rec program I believe the attitude adopted may be wise indeed, in that it will enable this government to assist organizations and agencies within a province even though the provincial government may find itself unwilling to have any participation in the expenditure of this money. I hope all the provincial governments are going to recognize their responsibility and are going to help the minister more than they helped the then minister in the days of the pro-rec program.

I also note that the bill contains authority for an annual expenditure of $5 million. This provision is a bit unusual. It is something that we usually do not have in our legislation. The legislation usually merely establishes the authority and the machinery and then by way of annual estimate the House of Commons decides, on the advice of the government, how much it is going to allot to this particular program in each and every year. I know that the act as it is now presented is going to make it much easier for those responsible for planning to engage in long range planning, in that they are no longer dependent upon the House of Commons for their minimum annual revenue. However, it either carries on or initiates rather a departure from established custom, and it contains a certain danger. I should like the minister to tell us exactly what was the reason of the government for making the amount a part of the act, and making it an annual amount.

I hope the minister will also attempt to explain how the government hopes to enlist the aid of other levels of government. If we average this amount among our constituencies we find that it involves an expenditure of roughly $19,000 per constituency. Without the active team work of the other levels of government, $19,000 cannot very usefully be expended on this program in each and every constituency. The active participation of other levels of government will be urgently needed if we are to attain the aim indicated in this act.

At one o'clock the house took recess.

[Mr. Regier.]

AFTER RECESS

The house resumed at 2.30 p.m.

Mr. W. F. Matthews (Nanaimo): Mr. Speaker, I am very pleased to be able to take part in this important debate on sports. Sports that are properly conducted are very necessary for the youth of today, and extremely important to the present and future of Canada. This year 22 cents out of every dollar of our budget is spent on welfare. One sure way of cutting this down would be the proper training of youth.

It seems that the Olympic games are more in the limelight and receive more interest from the average Canadian than ever before. This is perhaps because of the sports pages of our newspapers, because the games are completely covered by these expert sports writers. Sports and competitions between countries can serve to promote good feelings if conducted in the right way, and I am sure that our sports writers have been and always will be of great help in this regard.

Mr. Speaker, the creed of the Olympic games has been mentioned previously, but I should like to repeat it. It is as follows:

> The important thing in the Olympic games is not winning but taking part. The essential thing in life is not conquering but fighting well.

The motto is simply citius, altius, fortius, which means "higher, swifter, stronger". Neither the creed nor the motto can be properly carried out under the strain of present-day Olympics without the best coaching and direction, and I believe this should be the concern of the federal government.

Grown Canadians have a great variety of sports that will keep them in shape. They can take part in golf, badminton, tennis, softball, ping pong, swimming, boating, fishing, hunting, archery, trap shooting, hiking, mountain climbing, riding, flying, skiing, skating, curling and bowling. Most of these sports are available and are being carried out by a great number of Canadians in all parts of Canada. If one does not care to spend money on any of the above to build up his strength and keep fit, he can get good results by walking or by doing the daily dozen every morning.

Mr. Speaker, it seems that our most important duty to Canadians in the line of sports is to have a program of sports training for our youth. Children should be exposed to sports at a very early age, and should receive proper instruction and supervision. Too many of our children are left to fend for themselves They grow up without proper training, and without this training many of them later on in life help to swell the ranks of the unemployed. The youth of today are the leaders

and builders of our Canada of tomorrow. A proper training system should be set up as soon as possible.

Back in 1946 I suggested to Mr. Douglas Grimston, president of the Canadian amateur hockey association, that a school of coaching should be established in Canada by the federal government, and that the government should have a department to promote and finance sports in Canada. Mr. Ken McConnell, then sports editor of the Vancouver *Province*, agreed to this plan but said I was 15 years too soon. It seems that Mr. McConnell was right when he said 15 years, and I am very pleased that this government is now taking action.

At that particular time I talked this plan over with Mr. Summerfield, sports editor of the Nanaimo *Free Press*, and also Bill Phillips, who is now the arena manager in New Westminster and was at that time. Of course, as everyone knows who follows hockey, he was at one time a national league hockey player. Mr. Phillips endorsed that plan, and the suggestion that I take it up with the government. As a matter of fact Mr. Grimston asked me to go east to the meeting of the Canadian amateur hockey association, but I was unable to do so at that time.

I am going to take the liberty of reading from an official hockey program of the 1946-47 season. This is a program published by the Queen's Park arena, New Westminster. The editorial is entitled "Hockey News" and reads:

> Bus Matthews of Nanaimo, one of the coast's most ardent hockeyists, both as a player and coach of young players, expresses a thought which carries so much merit, it can not very well be ditched and forgotten.
>
> Hockey today is big business in the east and is becoming big business on the Pacific coast, and, with the expansion of the game the cry is going to be, more and more, for hockey material. Canada has been and will for a long time continue to be the proving ground for young hockey players who will carry the load in the future in top brackets. How these youngsters are trained and developed will determine the greatness of future hockey. The percentage of boys starting the game who make the top is very small; according to Bus, the percentage could be very greatly increased if proper methods of training them, by men themselves properly trained in coaching, were adopted.
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> Bus maintains that there are only a few men living today who have the knowledge to set down in print the fundamental principles of good hockey play and the right methods of teaching these principles, and while they are available to the game they should be brought together as a body and set up as the authority defining good instruction, good methods of teaching and qualifications of men to become teachers of our future hockey stars. A few years from now, these men will be gone and the opportunity lost.

I might explain that at that time I suggested the government should get a group of these leaders in sports together for a period of say two weeks. Stenographers would be provided to take down what was said, and each man could contribute from his experience of the phase of the game in which he was most interested, defensive play, attack and so on. I mentioned at that time the name of Lester Patrick as one of the hockey experts who might be invited to such a meeting. He and others like him have had years of experience in training young hockey players and shaping them from the raw material. We have already lost Mr. Lester Patrick, and we have also lost that famous player and coach Mr. Dick Irwin.

Men such as these have an experience which covers many decades of hockey. Their knowledge of the game goes back over the time when we in Canada played seven man hockey, six man hockey and five man hockey. Many people in Canada do not know that there was a league which played five man hockey. I think this new council might well consider the suggestion that men of this calibre should be invited to a conference to give us all the benefit of the knowledge they have gained; and I have in mind all sports, not just hockey.

Today the big leagues want players who are complete in all respects; they do not want to have to teach them anything. That is the work of the coaches. I do not want to give the impression that I have in mind only professional hockey. I do not think it should be confined to professional hockey. I believe it should be extended to help young Canadians who are on their way in the business world as a means of building up their minds and improving their bodies.

In July of 1958 a softball game was played in Hull between members of parliament and members of the House of Commons staff. I forget all those who were there, but I am sure the hon. member for Vancouver-Burrard (Mr. Taylor) and the hon. member for Waterloo North (Mr. Weichel) took part. I do not remember now who won the game, but I think it was the staff. Lester Patrick, Newsy Lalonde, Fred Taylor and others were there as guests. We had a get together afterward at which Lester Patrick, Mr. Lalonde and others were asked to say a few words. When my own turn came to speak I stressed the importance of the government setting up a department to help promote sports, and said I thought a coaching school should be established. Hon. members will well understand my pleasure when the Prime Minister announced the other day that such a program would be put into operation by the government.

As reported on page 120 of *Hansard* for January 20, 1959, the hon. member for Waterloo North suggested that a ministry of sport

should be established. If hon. members turn to page 1037 of *Hansard* of February 16, 1959 they will find that the hon. member for Vancouver-Burrard proposed the setting up of a sports council. I wish to congratulate these two hon. members and other members of the house who have worked so hard, informally, in the promotion of these ideas. There was a committee formed for this purpose, and the hon. members I have mentioned, together with others, contributed a great deal to the idea which is now being put into practical form.

I support Bill No. C-131. When a member supports a bill in the House of Commons I believe, Mr. Speaker, that he should put his reasons for doing so on record. The following are my reasons. Statements have been made that Canada is a nation of weaklings; that people who are just spectators and who do not play games are weaklings. I do not agree with this, and I do not take such statements for granted.

Let us not sell Canadian youth short. I know that we have in Canada many very fine young people who will go a long way in business and sport as the years go by. Looking around today we see that our young boys are growing broader, taller and stronger. I do not like to hear people say that we are a nation of weak people, and I would not advise anyone to step up to many of these young fellows and say that. It reminds me of a story of a man in Texas. When he had had a few drinks he looked around and said "I can lick anyone in this bar". No one said anything; he was a pretty big man. After a while he turned around and said "I can lick anyone in Texas." Still nobody took him on. Finally, after one or two more drinks, the visitor declare "I can lick anyone in the United States". At that point a little fellow stood up, took off his glasses, and knocked him down. When the challenger finally came around he murmured "I guess I took in too much territory".

Taking part in sports is important for the building of the mind as well as of the body. I coached sports for a number of years, and I found that the important thing was to get the player to think. A player who thinks becomes twice as valuable. I have coached many players who I am sure would have gone a long way in hockey if they had continued in the game. I have kept records of many hundreds of my young players, and I go over them from time to time. There is not one of those boys who is not doing very well today. Two of them, for example, quit and went fishing. They now own commercial fishing boats worth between $75,000 and $100,000 each. Others have become electrical contractors, clothing store owners, pharmacists, dentists and doctors—and I am talking now about the stars who quit the game, people who could really have gone places in the sport itself. However, they decided they would seek careers in business or in the professions rather than in commercial sport.

As I was saying, it is important that a player should learn to think. It is harder to think, to really concentrate, than it is to run, jump or skate. If you cannot get your players to think you will certainly never have top grade players. I remember I was once in a rink at the start of a season when Mr. Lester Patrick was looking over one of his clubs. I said "Lester, you certainly have a fine bunch of strong players. They should go a long way." This was on the west coast. He said "I have not got one man on that team who will ever get to the national hockey league". I said "They look good to me". He said "They can stickhandle, check and skate, but they have not got it above the ears". Unless a player has it above the ears he will not go far in professional sport today.

Today, when we worry so much about what our young people are doing, we should certainly see that their bodies are developed. We should make sure, also, that we have coaches who will develop their minds. If I were going to make a quotation at this time I would say "Men who do not think are the weaklings of today".

People who observe sport have always been important to me, and when I coach I use sports writers as a source of information. A sports writer has to meet a deadline. He has to examine the performance of players and scrutinize the games closely in order to have something about which to write. The only way he can do so is by thinking. The day following a game I always made it a point to talk to the news writers and get their views. As a result I was often able to learn things which were a means of improving my players.

A good coach is, in a sense, a mirror and by that I mean a mirror that is accurate, that is not cracked or distorted. There is no one in this building who would accept as gospel truth the reflection given by a mirror with a tendency to distort. Such a mirror would be thrown out of the window. A good coach requires the ability to accurately reflect the potentiality of his team. I know of a famous golfer in the United States who every once in a while would ask some minor pro to follow him about and watch him play, and advise if he was doing anything wrong. Some pros protested that the player knew more about golf than they would ever know, but he pointed out that it was impossible for him to drive or putt a ball and look in a mirror

at the same time. He asked them to reflect back to him accurately the way he played the game. I use this illustration to indicate that a good coach must accurately reflect the ability of his team. If he is a good coach he must be of assistance to the boys.

One could speak at great length about coaching, but I shall content myself with telling one small story. The cousin of a player in a small town, a young lad who had been in reform school, expressed an interest in sports. I spoke to the young man about having his cousin come down to play, and eventually spoke to the mother of the former inmate of a reform school about the boy participating in juvenile sport. I expressed my interest in having him join us. The mother explained that he did not wish to play because he was aware that the boys knew he had stolen and thought they would not want him in the locker room. I explained that I had spoken to the boys and that he would be welcome. After persuasion the young man came and played hockey. In speaking to his mother at a later date she said that had it not been for that opportunity to participate in sports the boy would have run away and perhaps again taken up a life of crime. That young man is now married, with two children, and is purchasing his own home. If it had not been for the opportunity I have mentioned he might well not have been in that fortunate position today.

I have told that story to illustrate how important it is that the council ensure that good coaches are obtained. I think it is most important also that the council give consideration to assisting young Indian boys especially by encouraging them to participate in lacrosse. I urge the council to endeavour to have lacrosse returned to its former standing in the Olympic games.

I hope the council when in operation will be careful in making grants. I do not believe grants should be made to professional teams. I know of a very good orchestra that made application for a Canada Council grant. The orchestra received the answer that the council only assisted orchestras that had reached professional status. Probably the members of the Canada Council know more about music than I do, but I disagree with their basic policy. I maintain that if an orchestra has reached professional standing it should not be given grants.

Similarly, I do not see why grants should be given by the sports council to people who have reached professional status. I believe they should be given only to amateur sports that do so much to build healthy minds and bodies among young Canadians. I suggest assistance in the establishment of playing fields and ice surfaces. I know of a number of clubs that would be interested in participating in a program of that type. Very careful attention will have to be paid to the selection of the members of the council, and equally careful attention will have to be paid by the council in the selection of coaches if a school is set up.

Sports are important to all countries, and one could discuss this topic for hours. Last year I was in attendance at the interparliamentary union conference in Tokyo, where I stayed at the New Japan hotel. I was surprised to receive a telephone call advising me that Prince Takeda, the president of the national skating union of Japan, wished to see me. I said I would be interested in meeting him, and although I suspected at first that I was being kidded an appointment was made for 2.30 the next afternoon. I was pleased when the prince arrived with his secretary and we discussed sports, including hockey. As hon. members know a Japanese team participated in the Olympic games last year and did a fine job, although they achieved no great success. Much credit should be given to them for the spirit they brought to the game. The prince has requested that I send him a film illustrating lacrosse about which I told him. He is of the opinion that it might become a popular game in Japan.

During our visit we wore badges indicating that we were from Canada. At a reception one night I met a young Japanese boy who said, "Me Broda". I found out that he played hockey and knew of Turk Broda, who was his hero. The badge brought me many encounters. Two young Japanese connected with newspaper and radio spent most of an evening with me. All they wished to talk about was sports including baseball and hockey. I assure hon. members that Canada is held in high regard by the people of Japan.

Many interesting articles concerning sports appear in newspapers from time to time. In the February, 1960 issue of *The Legionary* Mr. Lorne Manchester, in an article entitled "A Bad Case of "Spectatoritis" stated:

> Thousands of youngsters under the guidance of Canadian Legion branches are engaged in regular league schedules throughout the country... Many youngsters are also getting their first introduction to "Operation Star-Shooter", the Canadian Legion's program of carefully worked out gymnastic exercises designed to improve the physical fitness of our young people.

The Legion branches across Canada are sponsoring sports. Every branch in my constituency sponsors a team or buys equipment. All are anxious to do their part for the future of Canadian sports. Before I left home I was approached by the new Legion branch. They are interested in knowing if any assistance could be given in the establishment of

a small ice surface. They have a number of boys' teams. They wish information and assistance in the form of a grant, and would be willing to participate in financing the necessary balance. I am proud to say that every service club in my constituency sponsors a team or provides uniforms or equipment for hockey and lacrosse teams. This is a wonderful thing, and I think a similar situation prevails across Canada.

Within these small groups are found some of the finest coaches in Canada. They donate their services without charge and desire no remuneration. Men who are prepared to do that are coaches of the best type. When the school of coaching is established, and when information and ideas on coaching are finally collected and drafted, I suggest that these men be informed. They should be given every assistance and all the information that will be of help to them in their coaching.

I spoke a few moments ago about lacrosse, a wonderful game that is much misunderstood. For years it was represented as brutal and sensational, but when properly presented it is known as a game of skill. It is widely played in England and Australia. Interestingly enough, more lacrosse is played in colleges in the United States than is played in Canada, and that in spite of the fact that lacrosse is historically Canada's national game. I have here a short dispatch from London which reads as follows:

> Canada's historic sport, lacrosse, is becoming increasingly popular in Britain. Two London schools have now included lacrosse in their curriculum, and more are expected to join.

In other words, our game is to be brought up to the status it should have, because it is number one in sports as a mind and body builder. It has been proven by professors who have investigated the matter that lacrosse is number one as a body builder and mind builder. One junior lacrosse team in a league in Vancouver was composed entirely of what we sometimes refer to now as dead end kids. I got to know many of the boys and I can tell you that there were some bad actors among them, but they went on to play senior lacrosse, and played the finest lacrosse in Canada. Those boys were all salvaged and trained to be good Canadians by a coach who was not a professional but who did a tremendous job and prevented those dead end kids from being a charge on the rest of the people of Canada.

I could read other articles about the progress of lacrosse in the United States. No doubt the committee will be made aware of all this information. I have all the statistics as to injuries which show why lacrosse is considered to be safer than hockey and even safer than baseball in some respects. These statistics have been collected over a period of years, and I will be very glad to supply them to the minister because I know he will make good use of them.

It may be that first of all the board will make a survey right across Canada to get suggestions and advice from people who have been engaged for years in the sports field. There are many members of the house who are well qualified to do this work and who would know how to get in touch with people to obtain this information. I know these men could supply good advice on the subject.

I could continue but I know there are other members who wish to speak on this very important subject. There is one point I should like to make in conclusion. I am afraid I will not be able to make it, because apparently I need a little more coaching; I have mislaid my note. I should like to mention that this year the British Columbia senior women's softball championship was won by a Duncan team coached by Duff Chaster. He is not a professional coach, and this is a wonderful achievement for a team in its first year of competition.

Various championships in all kinds of sports have been won by teams in my constituency. However, I do not want to take any more time, and I will simply say that I am very happy that we have reached the ponit of taking action with regard to this matter that is so important for the future of our children and the people of Canada generally. I know the minister will do a tremendous job. I know he is most interested in the subject. I noted a short time ago that due to conditions beyond his control he lost five or six suits. In sports when a sponsor loses a lot of money he is referred to as having lost his shirt. I hope the minister will not allow this committee to get out of control and lose his shirt.

Mr. Arthur Smith (Calgary South): Mr. Speaker, my first remarks, of course, must be to congratulate the minister on the introduction of what is perhaps in this session the first piece of legislation uncontested and unanimously supported, not only by members of the house but by the people of the country at large. This is certainly to his credit. The demand or desire for the legislation is quite apparent. It was introduced in the form of a private bill initially, and has since received support from newspaper columnists. Credit is due to a great many people for their efforts which have culminated in the bill now before us, even to those members of parliament who have taken part in some athletic endeavour, either in hockey or on the baseball

diamond. If their inability to play these games is any indication, surely this bill to improve their physical fitness is certainly necessary.

One cannot and should not be facetious about legislation involving such an important principle, and involving $5 million to be taken from the public treasury. While I accept all the arguments as to the necessity for the bill, perhaps not only at this point but in the committee stage we might look at how these worthy principles and objectives are going to be achieved. How are we going to spend the $5 million; to what purpose; who will receive the money, and what are going to be the problems of the administrative council on whom in the final analysis the success or failure of the legislation will depend?

As many speakers who have preceded me have said, the bill has three principal purposes; first, to improve the physical fitness of the people of Canada as a whole; second, to aid amateur sport and, third, to assist Canada's competing athletes in international events. I suggest to you, sir, and to the minister that all these are separate objectives, though interrelated. None the less, at this stage and in the committee we must assign ourselves the task of recognizing that each requires individual study if we are to achieve any degree of success in attaining our objectives.

We have read the bill, and have observed the nine points which form the basis of the regulations, and the principles as to how the moneys are to be assigned under working agreements with individuals, organizations and with the provinces. The first question we must ask ourselves is, what control will the council have when these moneys pass from their hands.

To take a specific example, let us say that province A is provided with X dollars. How are we going to be assured that the objectives outlined in the legislation will be pursued by province A? How are we going to avert any possibility that these moneys will perhaps go toward some other objective which is not indicated or intimated in the terms of the legislation? To a large degree, of course, this is going to be a responsibility of the council itself, the administrative body.

Second, in addition to establishing a group of fundamental principles and making an assessment of all the essential needs in respect of coaching in schools and improvement of facilities, we must assure ourselves that somehow we create a desire within Canadians to want to be physically fit and to take a greater interest in amateur sport, because if the desire is not present there is no purpose in providing facilities.

At this point it amuses me a little to listen to some of my colleagues who, in describing the advantages of helping amateur sport, cannot resist the temptation to kick what they describe as professionalism in sport. I think it should be clearly understood that many of the youngsters we see on the playing fields are emulating the Jackie Parkers, Babe Ruths and other major sports heroes. It is from these professionals that they get the desire to become athletes. I am not advocating that money be contributed to assist professionalism, but I suggest that in the end this legislation will not be successful unless professional sport and professional organizations carry on as they have done in past years.

I can recall having taken part in the first large scale attempt by the west to win a well known sporting event, the Grey cup in 1948. The effort was not that of a group of professionals. It was a community endeavour by a group of people who got together and decided that the then little known pastime of football should be made a national classic. It was not any paid group of promoters who were involved, rather, it was community spirit which made it so successful. We took our cowboys, our Indians and our football players and captured the imagination of the Canadian people, thus making this sporting event what it is today.

Here again I must relate the importance of this bill to other aspects of the subject. Take hockey, baseball or football, and you can see the advantages of professionals and amateurs working together to achieve a better physical condition for the Canadian public. What concerns me, though, is that Canadians today, unfortunately, are gradually becoming a nation of spectators rather than competitors. I hope this is a place where the bill perhaps makes its greatest contribution. As I said at the outset, we must be absolutely certain we press steadily forward to achieve this objective. The council will have many responsibilities and many problems. Let me try to tell the council what I hope it will not do because, after all, in the final analysis success or failure is going to rest upon this.

First of all, I would hope they would not contribute moneys to purely organizational or office work which is involved in developing a sport. I would hope that the moneys would be assigned to the root of the problem, to the youngsters. Second, I would hope the council would not assign moneys to any organization which had a history of not being able to help itself. I listened to one of my distinguished colleagues who made a great contribution to the debate, but in the first six minutes he had spent the $5 million. I heard also suggestions to the effect that a dollar

should be paid here or $50 there, and that this was going to help amateur sports and physical fitness.

I agree that these are indeed worthy causes, but we must remember that if the $5 million is going to be spent wisely it is going to have to be spread amongst a great many individuals and a great many interests in the sporting field. I would hope, therefore, that the council would try to assist those people who are prepared to help themselves, and let the contributions in terms of dollars be measured accordingly. Any sporting organization—you and I have belonged to many of them—which is not prepared to get off the ground itself and do something for itself will never survive, no matter what government hand-out is given. The point I make, therefore, is that there should be a careful assessment of what the organization has done in the past, how it is prepared to assist in its own endeavour, and then whether government aid can give it enough help to get beyond the point of being mediocre.

Then we come to another problem. How do you reconcile the differences that may exist between those people who believe in physical fitness as an end in itself and those well organized groups of people involved in amateur sports, in so far as representation on the council is concerned? How are you going to distinguish where the money is to go, and who is going to get how much? This is going to be another major problem. It is a platitude and a generality, I recognize, to say that one area of sport should receive a benefit while another does not. There is a point here, Mr. Speaker, and the bill clearly sets out that there are these two principles. The one must not in any way become the poor relation of the other. The council must, therefore, be selective on the basis that there will be those who can speak as advocates for both.

I should like to make one or two other suggestions. The council will have its problems, but after all if this legislation passes the house our advice to it will be of little value. It is only now while the bill is in this stage that we can make definite recommendations. I would hope the council would not attempt to spend its money in sending, for example, vast arrays of coaches or escort parties abroad with our athletes. This again is something that is important. I would hope that the money would be spent in developing athletes basically in Canada, and let these other organizations take up these additional costs. I would hope the money would be utilized for some of those things which have been suggested here, but we must place priorities on them and see that we do not spend so little on each that there is no real effect in any particular area of sport.

As I said at the beginning, I think the important thing is to try to get a philosophy of mind in our young people so that they will want to compete. This is the biggest problem the council will have. I have heard from a friend of mine about youngsters who were discouraged from competing in the vast areas which could be devoted to some form of recreation. I suggest to you, sir, that keeping in mind the variety of interests which today compete for the time of our young people, we must map out a plan that will encourage them to reach the standards we hope will be attained as a result of this bill. If Canada intends to put itself on international display in the Olympics and other world events, I believe we should be improving the ability of our youngsters to compete by providing them with the facilities they require. We should set up co-ordinating bodies to ensure that one organization does not overlap on the functions of another organization. This is another area in which the council can well assist, not only through its administrative responsibilities but through the funds it has to administer.

I suggest, therefore, that in making an assessment of the problems you must first of all make a review of the facilities that exist in Canada to determine the areas requiring the most help. Only from this point can we make a successful start.

Finally, sir, I should like to make one other suggestion involving two points. It has been said, I believe by the minister, that it is not the intention to include under this bill any funds that could be utilized for capital costs for national events that may come to Canada, such as the Pan-American games, the British empire games or any of the Olympic games. I think this is indeed a wise move, and not because I come from a city which hopes to be the host for the winter Olympic games of 1968. If you take the moneys available under this bill and assign them to the larger international events it means that the entire program will suffer. In fact it will be disrupted, because all the funds will be required for these three major events I have mentioned. In this way the funds needed to stimulate physical fitness and amateur sport will be lost. I was happy, therefore, to hear the minister make that point very clearly, that this money may be used to help the athlete prepare for the Olympic games, but it is not intended that it should be used for capital costs in connection with those games.

The second point, sir, involves the two booklets produced by the armed services known as 5BX and 10BX, in the war against

obesity in the services. I think many of us in this chamber might consider them as required reading for ourselves. These two booklets have become, in fact, Canadian best sellers, with sales totalling something over a quarter of a million. I would hope that the funds derived from the sale of those booklets would not go back into the general revenue fund. I would hope rather that, because of the importance of the work these people have already accomplished in the field of physical fitness, these funds could be used to encourage them to go into other areas as yet unexplored. I believe this is the greatest single contribution that any government agency has made to date in helping to assist in the national problem of reaching some level of physical fitness.

So, Mr. Speaker, I close as I began, by congratulating the minister in making the first step an important one. Second, I wish to state my belief that the council has indeed a real job in making this bill work, function and become successful. Third, I suggest that the council should attend to the problem of creating the desire in addition to the facilities so that our young people may enjoy physical fitness. Fourth, I would remind them that they have a dual responsibility, both in the field of physical fitness and of course amateur sport. Fifth, I would hope that in every area, whether it be in physical fitness or amateur sport, the professional and the amateur alike realize the vast potential that is available to them in the playing fields and the skating rinks; for here the real athletes are to be found. Here are the youngsters who will represent us in future years. Indeed, I suggest that here in fact is the future of Canada.

Mr. R. M. T. McDonald (Hamilton South): Mr. Speaker, it is very difficult to follow such eminent speakers as those we have heard this afternoon. I should also like to congratulate the Minister of National Health and Welfare for bringing this important measure into the House of Commons. I might start off by saying that I come from a town that is well known for its athletics, both in the professional and amateur fields.

However, I should like to confine my remarks to the amateur field. I might say that this bill should be channelled to the masses if we are to have competitors in the future. We cannot merely buy championships. We cannot merely take a hockey team, spend $50,000 and send them over to Germany or to Russia in order to meet someone. I think the $5 million we are allocating today should be spread out across the country.

It disturbed me somewhat in the last week when I noticed that in some of their articles the newspapermen were saying that it was time for Canada to flex its muscles. To me it seemed that they were trying to play down the bill. I think it is a great step in fostering the development of young people in the country, but it should not start when the boy is 18 or 19 years old, with a view to sending him to the Olympic games or to the world hockey championships. It should start in the homes by the parents encouraging their children to participate in active sports. I know that some parents do not wish this participation. They wish their children to go ahead and be scholastic in their ability. However, a little playing never hurt anyone.

In federal politics you should not talk about the provinces or the municipalities, because the British North America Act prevents you from getting into the school systems. But unless the school systems of the country—public schools, high schools and colleges—get behind this physical fitness and amateur athletics bill, I do not think it will get off the ground; for the coaching that we are striving to spread across the country must come and be taught to boys all across the country. I think it is very important that the Minister of National Health and Welfare talk to his provincial colleagues so they can encourage the development of amateur athletics through the education system and so that we shall indeed be trying to teach boys from grade V up to adulthood.

There has been some talk about professional entrepreneurs coming under this type of bill. I do not think we have much to fear on that score. The amateur athletic unions in Canada, such as the Olympic association of Canada, have been well organized for years. Through their representations I am sure they will help this council to beware of professionalism, although professionalism is not a dirty word. Some few years ago I happened to be a professional athlete, and I may say that professional athletes are fairly good types in developing coaching in the country I would not want the minister to set up a coaching system in Ottawa by means of which you would bring only a few people from across the country to coaching school. I would rather see a mobile coaching staff go across the 10 provinces and set up regional schools at given dates so that a larger group of people could come and be helped in this way. Rather than having two or three people sent from Vancouver to Ottawa, I would rather see a coaching school of instructors go to Vancouver and have 50 people or 60 people participate.

In the western world, as I see it today, we go in for a good deal of glamour. It will be noticed that after the Olympic competitions in the past several years, everyone in the United States, Canada and the western world

wants to be a sprint champion. They forget about other non-glamorous sports that could be taken up. The Russians have won a large number of points in gymnastics and fencing and what might be termed back room sports. I think if we start to encourage our children who cannot be one hundred yard sprinters in 9.6 seconds to get into some other things by mass participation, we shall eventually have a great deal to look forward to in the future.

With regard to the grants indicated in the bill, I think the minister should be very cautious with regard to whom he gives money. I know there are in the country a great many people who are looking for assistance, but as was indicated by the hon. member for Calgary South, those people who cannot help themselves usually will not get off the ground by means of the great white father from Ottawa coming down and giving them some extra money.

At this point I might indicate the job that police associations, service clubs and sports organizations are doing across this country. I think they should continue to do this job because it is the basic fundamental of amateur sport. I refer to people wanting to get out and play and help the children all the time.

I would also talk to the minister with regard to what I would call socialites in sports. As indicated by the hon. member for Calgary South, when Canada sends 20 athletes to the Olympic games we seem to find that, having regard to our way of life, they must have 10 coaches to go with them. When Australia sent people to the commonwealth games a few years ago they sent some 90 athletes but only 10 coaches. We find that politics are played in many associations. I would make the council aware of the politics that are played in associations across the country.

As to the surveys that are indicated in the bill, I think surveys should be made of the facilities that are required across the country both in relation to coaching and physical requirements. Unfortunately we in the northern part of the western hemisphere have long winters. I think we should look into the possibility of capital cost expenditures in co-operation with the provinces and the municipalities in connection with the creation of field housing facilities such as those in existence in the United States for all-round training in a vast number of sports.

I think this bill will be widely accepted across the country. I do not think any politics will be played. However, I stress to the minister the point that this money should be spent wisely. As indicated by hon. members who have preceded me, if we are going to have the winter Olympic games in this country I do not think this money should be spent for the purpose of building facilities for those games. This money should be used to foster the development of fitness and amateur sport in the country by mass participation. I stress to the minister the importance of getting in touch with his colleagues the health and education ministers of the provinces, so they in turn can sell the program through the schools. I am sure the minister is planning some literature to be handed out for this purpose.

I should like to take this opportunity to congratulate the amateur athletic associations in the country which for the past many years have been struggling to get into international competition. I know that I have been called on to donate to these organizations, as have many others. I should also like to point out to this council that something should be put into this bill which will allow the council itself to accept moneys from organizations that wish to help to develop amateur sport. In other words, if we are to make grants to Olympic teams to go over and compete in games in Tokyo or in Helsinki, I am sure the minister will find that there are many people who are willing to put up their dollars in order to help Canada in this respect. I think the bill should stress physical fitness for amateur athletes on a mass participation basis and we should not get down to specialization, for only through mass participation can we produce champions, which might not be in 1968 but it will be some time in the 1970's.

Mr. Frank McGee (York-Scarborough): Mr. Speaker, I had not intended to participate in this discussion at this time, and my contribution will be brief. Many hon. members, including the hon. member for Hamilton South (Mr. McDonald), are far better qualified than I to discuss this subject and have already given some very thoughtful and helpful advice to the council. Without going over the ground that has already been covered, I should like to offer this one suggestion to the council. In my view the whole purpose of this legislation will be accomplished if the notion I have in mind comes about.

Clearly Canada, due to geographic and many other conditions, is not, even in the most optimistic person's mind, likely to become a front runner and top-flight contender in the Olympics of future years. We have, relatively speaking, a limited population and growth potential. We should face that fact, and one of the tasks I hope this council will undertake is to approach the various provinces and the various areas of this country and try in a co-operative way to achieve a fairly well planned cross-section of athletic endeavour.

This point was touched upon by the hon. member for Hamilton South. We can envisage universities in one area of the country concentrating on swimming and related activities, others concentrating on track and field events, others on skiing, others on gymnastics, fencing and the other sports which make up the whole Olympics calendar.

A certain amount of this has taken place naturally, it seems to me. I refer to McGill, Carleton University and Ottawa University. These are universities which are located close to adequate, and in fact very excellent skiing facilities. It seems to me that if the council can encourage this type of specialization and encourage universities or groups of universities, high schools, as the hon. member mentioned, and even the public school system we could develop coaching to such a degree that we would produce results in a very few years.

Most universities, apart from the few specializations I have mentioned, have made some outstanding contributions. Certainly Bruce Kidd, potentially the world's greatest distance runner, is an example of the case in point where proper encouragement and coaching is available. Another example that comes to mind of a small university establishing a reputation for itself is St. Francis Xavier University in Nova Scotia. I think that is an example of what I have in mind operating in a very successful way.

A few years ago that university brought Don Loney, who was a former professional football player with the Ottawa Rough Riders, to that university. He provided the university with the elements of a first-rate coaching staff. The institution has concentrated its athletic endeavours in that direction and as a result it has, I believe, the reputation of being the No. 1 football university in the maritime provinces, if not in eastern Canada.

It seems to me this concept should be extended possibly on a provincial basis, but certainly on a geographic basis. As I said when I rose to speak, if there is some movement and development in this direction this legislation will have justified itself beyond all our expectations.

Mr. Donald MacInnis (Cape Breton South): Mr. Speaker, in rising to speak in this debate today it gives me great pleasure to associate myself with the remarks of previous speakers in connection with the bill which the minister has placed before the house.

It has been said that good health and good intellect are the two greatest blessings of life. This bill, because it strives to promote the health and well-being of the Canadian nation, has almost unlimited possibilities. The health of a people is the foundation upon which all their happiness and all their powers as a nation depend. It is an almost unfailing index of the morals of a nation. It has a very direct bearing upon the prosperity of a country.

The bill now before the house is significant because it serves to place the official sanction of parliament behind the importance of physical fitness in this country. Not only will this bill help to provide the means to foster and encourage amateur sport among people, but it should create a great awareness among the public of the important place that physical fitness must occupy in the life of our country.

Mr. Speaker, I believe that educationalists are becoming more and more aware of the fact that in our educational system physical training should hold a place co-ordinate with that of the intellect. There is no doubt that it should be a part of all academic training. Exercise does for the body what intellectual training does for the mind; it educates and strengthens it.

The maritime provinces are noted for a highly successful tradition in sport. As a matter of fact, Cape Breton island has been a hotbed of athletic competition for many years. As other hon. members have done during this debate, I could mention team achievements and individuals who have attained national recognition for that part of the country. I could mention the prominence brought to Cape Breton by the basketball team from the town of New Waterford. That is a mining town in which the community effort of a group of local sportsmen and the achievements of a group of local athletes have brought to the town national prominence in winning the Canadian title in that particular sport.

I could also mention the Sydney Millionaires and their achievements in hockey. In my own home town I could mention the efforts and the achievements of the Caledonia football team, which for many years was outstanding not only in this country but could face up to world competition in this particular game.

I might also refer to individuals such as three local boys from the city of Sydney who are now on N.H.L. rosters. I think this is a most outstanding achievement, because hockey players in my part of the country have far more to overcome to attain prominence in this sport than most hockey players throughout the country. When they were at school and were starting out in organized hockey they would probably have to be at the local rink as early as four or five o'clock in the morning. Therefore to gain the status of an N.H.L. player, as these three boys have done, is a very great achievement. The three boys concerned are Parker McDonald of Detroit Red Wings, and John Hanna and Allister McNeil now with the Montreal Canadians. I think

the accomplishments of these boys in reaching this status has been achieved through a superior effort on their part because I know what they have to do in order to participate in such sports in my hometown. As I said, it means rising at three o'clock in the morning in order to practise in the local rinks that are available.

I might also mention the achievements of Joe Mullins a youngster from my hometown who has come into national prominence in track and field and has on two occasions recently represented Canada, at the Olympics and the British empire games.

In most parts of the country there are two important elements lacking to a greater or lesser degree. These are coaching and facilities. I honestly do not believe there is any shortage of athletes, but this potential needs proper guidance and an opportunity to compete. The funds made available as a result of the passing of this bill will not be sufficient to provide gymnasiums or rinks but will, I hope, encourage municipalities and provincial authorities, and more especially private enterprise, to take a more intensive interest in the provision of these facilities.

There is a great deal which could be said about coaching in general. Every community cannot afford professional coaches and must rely to a large extent on voluntary help. It is to these volunteers that we must look for a great deal of the assistance needed in order to promote amateur athletics. Even professionals must depend on the enthusiasm of the amateur and on the enthusiasm shown by members of the public for encouraging athletics among our young people.

I should like to enlarge for a moment upon what was said by the hon. member for Hamilton South (Mr. McDonald) when he suggested that we in Canada place too much emphasis on the management and coaching of national teams entering the Olympics and other important events of that kind while placing too little emphasis on the needs of the competitors themselves. In support of what he was saying, the hon. member pointed to the fact that Australia, for instance, could send out a large number of athletes accompanied by only a small representation of management and coaches, while the balance as far as Canada is concerned has always been on the other side. I think it is important we should correct this situation and that we should place greater emphasis on the competitors and their needs.

I should like to bring a further point to the attention of the minister. I think it is important that in this field our efforts to assist players and athletes generally should be concentrated on the phase when our young people are beginning to develop their talents and abilities. In this connection I think that in addition to providing coaches and the proper facilities for training we might organize a scouting team which could go about the country in search of young athletes of outstanding ability, as is already done on behalf of national hockey league teams and national baseball teams. We would thus be able to assist such athletes at an age where they would have every possibility of developing their potential. In other words, I do not think that any great emphasis should be placed on assisting athletes beyond the age of 21 or 22 years. I think help should be concentrated on age groups where the potential is probably greater, say between the ages of 14 and 18. I see no purpose in reaching into the ranks of established organizations. I think efforts should be made to scour the country for athletes whose natural ability could be developed by proper training. As I say, this system has already been developed to a high degree by the national hockey league teams and the baseball teams. No doubt, it has been developed by football teams also. I think this practice could be followed in all fields of sport in co-ordination with the coaching staffs, so that those selected might have the advantage of the facilities to be made available as a result of the present bill.

I should like once again to endorse what has been said by other hon. members who have spoken during this debate. While not playing down the necessity for assisting our athletes in professional sport I should like to emphasize again that before athletes become professionals they must participate in the game of their choice at a very early age. It is at this stage in their development that we should watch for them and help develop the potential which shows itself in any specific sport.

(Translation):

Mr. Azellus Denis (St. Denis): Mr. Speaker, allow me just a word so that I may take my turn in voicing my approval for this bill. In my opinion such a bill should have been introduced in this house many years ago.

Mr. Speaker, one must always remember this old Latin axiom: *Mens sana in corpore sano,* which means: "A sound mind in a sound body". There is no doubt that encouragement to sports and health is good, but I am wondering whether we should not lead the way if we want to be worthy proponents of health and amateur sports.

As a matter of fact, I recently stated, and I repeat today, that we only have to look around to notice that several among us need exercise. I am convinced that if we started by giving an example, by practising sports, and I mean the less violent ones, because I see that many are too old, too fat, and it would take weeks before we could turn them into real athletes—

Mr. Martin (Essex East): You are not referring to the Minister of National Health and Welfare (Mr. Monteith)?

Mr. Denis: No, because he is not too fat, but I could refer to the Secretary of State (Mr. Dorion), who could certainly afford to lose dozens of pounds, if the government would only give him the opportunity to do so.

Mr. Speaker, very recently the reconstruction of the parliament buildings was undertaken, and repair works are now under way which will amount to hundreds of thousands of dollars, if not millions. I wonder if it would not be possible to include the construction of a gymnasium, not only for members, but also for the House of Commons staff and even for civil servants.

You must know that thousands of federal employees live in Ottawa, and, in view of the limited number of places where they can practise their favourite sport in this city, I think the government should set an example and apply the provisions of the act concerning fitness and the practice of amateur sport to enable the employees under the civil service commission, the staff of the House of Commons and hon. members to practise their favourite sport. Several members are now staying from eight to ten months a year in Ottawa. They even bring their wife and family, and I know for sure that the children of several members of parliament go to Ottawa schools.

I am convinced that various members, and more particularly the wives, children or relatives of members of parliament have nowhere to go, either to meet or to practise some sport. Indeed, they are condemned to live between four walls and they are unable to do any exercise, to practise any sport, as they should, particularly when they are living in this country's capital.

I am convinced that millions of dollars will be spent under the terms of this bill, and when sport is mentioned, it is not just baseball, hockey or tennis that is meant, but every sport, including the less violent ones like bowling, for instance. I do not doubt that other kinds of sport will be included, which would enable citizens of the various provinces to meet and come to know one another better, thereby promoting a better understanding within this country.

Mr. Speaker, I wonder if the Minister of National Health and Welfare should not take this opportunity to convince his colleagues in the cabinet of the necessity to establish a recreation centre, not only for members of parliament or their families, but also for the staff and even people under the civil service commission.

In fact, Mr. Speaker, I am sure that if most of the hon. members had the opportunity to come back to sports in which they used to participate when they were in school or even if some members were to start playing some sport to improve their health, the government would have in its members, its staff and its federal civil servants ideal propagandists for sports and their benefits. Each one would be willing to encourage the members of his family or his fellow citizens to participate in various sports activity. I am convinced that the bill which is introduced today in this house will have at least some propaganda value. Now, if propaganda is good from the point of view of the Canadian citizens' fitness, it is equally good when the government decides to send teams abroad, whether for Olympic games or hockey, tennis or bowling.

Should the government decide that sending our athletes abroad is good publicity, I believe it should endeavour, from the very beginning, to organize, train and assist financially or otherwise, teams that could be a credit to us.

We only have to follow the example given by countries which are not as democratic as ours but which seek publicity more than we do. They have known outstanding success in a short time, simply by making sure that the athletes receive government subsidies so as to develop their athletic potential.

When the time comes to send some teams abroad, I also wonder if the government should not see to it that our best athletes are selected, because what matters—I make this comment even before the legislation is passed—is not to favour one particular team operating in one particular province, but rather to have our champions, from any province, represent the country. It might also be wise to see to it that they train regularly and seriously, so as to do credit to our country when they ago abroad to compete against other teams, for the minister knows that the teams we have been sending to the Olympics for many years have not been too successful.

Advisory Council on Sports

Incidentally, I wish to recall that sport is synonymous with justice and friendship, efficiency and harmony.

I fail to understand why the province of Quebec seems to be overlooked when teams are being sent abroad. This legislation should not occasion disunion or disharmony in the country. No doubt an advisory council will have to be set up, but it has not yet been established, since this legislation has not been passed.

Therefore, I ask the minister to see to it that, when this advisory council is established, the province of Quebec and French Canadians are adequately represented on the council. I can assure him that if the representatives of the province of Quebec are chosen well and are in adequate numbers, French Canadians will do honour, not only to the minister, but also to the whole country.

Moreover, I believe that by uniting the various ethnic groups in the field of sports, the different races will get to know each other better and to appreciate one another more.

Besides, I think that if the government still has a majority and if its members practise some sport and meet groups and personalities of other races, it will think twice before making other appointments, because in the near future, this bill on fitness and sports, will be useful not only for sports in the restricted sense of the word, but also to the people of Canada by making them a nation of sportsmen, not only as far as baseball or hockey are concerned, but in all forms of everyday life.

When the time comes to make appointments, to do justice or maintain harmony in the country, we will have, thanks to this bill, at least one more reason for being even more united in Canada.

(Text):

Mr. E. J. Campbell (Lambton-Kent): Mr. Speaker, I have listened with very great interest to the fine contributions that have been made by the previous speakers. I must say that I feel there is considerable merit in the suggestions that have been made. It is a great pleasure for me also to have this opportunity to speak for a few moments on this bill which proposes to establish a program to encourage a high standard of physical fitness.

May I say I admired the very broadminded attitude the minister revealed in outlining what he hopes will be accomplished by this measure. To my mind this program could accomplish great good for the people of Canada.

[Mr. Denis.]

I feel certain that this measure can be the means of adding years to the lives of our people and of adding more life to their years.

During my earlier years I had the experience of being an instructor in physical culture. I have not only advocated but have also practised physical fitness for a period of approximately 40 years and so this matter is not a new adventure to me. Many people in my area could, I know, vouch for the truth of the statement I have made.

While the resolution and the bill make reference to "encouragement of physical fitness and sports" and while I have played many games for many years and enjoy them still and agree that there is much benefit to be gained from them, I nevertheless intend at this time to stress the need and the value of fitness for all regardless of how it is acquired rather than limiting my remarks at this stage to the benefits accruing to those who may participate in sports. I was particularly impressed by the remarks of the hon. member for Calgary South (Mr. Smith) who referred to the benefits that have been and no doubt will continue to ge gained from participation in the 5-BX and 10-BX programs.

I suggest that something continued along that line and broadened to include all the people of Canada might perhaps be of greater benefit than just to train athletes. Since I have been here as the representative of the people of my area in the parliament of Canada I have often thought that the most important contribution I might make would be to do or say something which would encourage the people of our country to follow such a course as is being advocated today. I spoke on this subject in the house on June 22, 1960, as recorded on page 5262 of *Hansard*. If I may, I should like to review a few of the remarks I made at that time.

May I say that it is my intention to speak about and to attempt to place special emphasis upon the need and the part that a physical fitness program encouraged from the federal level could play in working toward such a goal of improved health. I feel that there are practically unlimited possibilities in this field. I feel that I should at this time also acknowledge that it is generally recognized that the responsibility for this matter of physical fitness falls under the jurisdiction of the provincial authority, but I have long felt that more encouragement should be given from the federal level to encourage and assist the provincial governments, and in turn, the local municipal governments and the people themselves, in a program which would broaden and intensify their efforts in this regard.

Again, on the next page.

I am one of those who believe that health and strength is just as valuable and important to the average businessman and other people as it is to the athlete, and that the same things

which the athlete does in a somewhat modified form would also promote strength and health for the one who may not wish to participate in organized sports.

Again, on the next page.

I should like also to point out that the need for a physical fitness program on a national scale is becoming increasingly more important in this day and age when men are devising mechanical ways of doing the work which they did by hand in days gone by. As a result of the increasing nervous strain caused by the pace at which we are moving today I predict that there will be an ever increasing need in the years to come for something to take the place of the work that our bodies were intended by nature to perform.

And finally:

...I should like to take a moment to point out the tremendous benefit that could come to the people of Canada from a dollar and cents standpoint if a concerted effort were made to sponsor a health program which would be dominion wide and in which physical fitness would play a prominent part. I feel this to be especially important at this time since the government has become responsible for the health insurance of the people. An ounce of prevention to my mind is worth any number of pounds of cure. I therefore suggest that the government give most serious consideration to the advisability of encouraging some such program.

I know it is not going to be an easy thing to sell to all the people of our country the idea of keeping fit. In my earlier years I had trouble selling it even to my own family. But as the years have passed by my son now in his twenties finds that his father, who is well on in his fifties, can quite easily set the pace for him still. When my daughters see their mother in her fiftieth year wearing the same size clothes and dancing with the same enthusiasm and ease as she did when she was twenty, I find it becoming a powerful stimulus for them to strive toward that goal which we have attempted to set for them.

I do not say this arrogantly or boastfully. I say it because it is a fact and in the hope that it may prove an inspiration for other people. I know that many people dislike doing any more work than they have to. They seem to feel that the pinnacle of achievement is to get to the place where they do not have to work. I am prepared to agree with the statement that has been made in the house on many occasions, that you cannot legislate virtue. I must say that I agree with the hon. member for Hamilton South (Mr. McDonald) who spoke a few moments ago and suggested that he favoured mass participation. I feel that all of the people, not just the young, should be guided and told of the course that would assist them to maintain their health and strength. I can think of no more worth-while thing for any government to do.

I believe in speaking frankly and because of that may I say that I feel that if this project is to be made to work someone will have to tell the people some things they may not like to hear. I feel sure that the people will have to be told convincingly by someone in authority that, speaking in general terms, we should be more careful about what we eat, and that many people do not get enough of the right food while too many eat more than they need of things that have little real nutritive value. Many people drink too much of things that are destructive to their well-being. Generally speaking we also spend too much time in physical inactivity while at the same time many people indulge at times in activities for which they are not fitted.

We often find ourselves in places where we must, against our will, breathe air that is laden with destructive impurities. For example, we inhale too much tobacco smoke for our good. Even non-smokers find themselves in the position where they must breathe air that has been fouled by the smoke of other people. Yet many people seem to think that the pinnacle of social accomplishment in our day is to be able to inhale great gulps of those same impurities deep down into their lungs and then blow them out again into the air for other people to breathe.

Mr. Pickersgill: Shame.

Mr. Campbell (Lambton-Kent): I ask you, how can we expect to be at our best under these circumstances? I do not have time to discuss fully all the matters I have mentioned but I should like to refer to a number of practical cases with which I have been directly connected. These are cases that have left an indelible impression on my memory and, without doubt in my mind, prove the truth of the points I intend to make. I have in mind a meeting held in the city of London not too long ago at which our own Prime Minister (Mr. Diefenbaker) was the guest speaker. I happened to be in the unfortunate position where I sat in the midst of three cigar-smoking men, one on each side of me and one behind me, and it seemed to me as though they were deliberately puffing smoke directly into my face all during the evening.

Mr. Martin (Essex East): Is the hon. gentleman making any accusations?

Mr. Campbell (Lambton-Kent): No, I do not think the hon. member for Essex East (Mr. Martin) was there.

Mr. Pickersgill: Maybe his smoke was.

Mr. Campbell (Lambton-Kent): While I did survive, the air was almost blue with smoke and a man close to me fainted because, to my mind, he lacked good air.

He slumped to the floor and the confusion caused the Prime Minister to terminate his remarks and the meeting adjourned.

Mr. Pickersgill: May I ask the hon. gentleman a question?

Mr. Campbell (Lambton-Kent): Yes.

Mr. Pickersgill: Is he suggesting that as a cure?

Mr. Campbell (Lambton-Kent): I am suggesting as a fact that we do inhale more tobacco smoke than is good for us.

I should like to refer to an article which appeared in the newspaper under the heading, "Medical Association Cites Cigarettes for Cancer." I should like to read this part of that article:

> The Canadian Medical Association for the first time has gone on record as saying that cigarette smoking causes lung cancer.
>
> Until now the association had avoided a direct statement on smoking and cancer, but at its annual meeting Tuesday, the general council of the Canadian Medical Association approved a report linking the two and called on doctors to point out the dangers of smoking to their patients.

This was in Montreal. Another example along the same line but having to do with some of the other points I tried to bring out, is the experience I had in the prize ring in my early years as a boxer. I am thinking of the man who gave me the most difficult battle I ever had. He beat me the first time; I obtained a draw on our second meeting, and I beat him on the third meeting. However, that man died about ten years ago. I also have in mind two other men who were outstanding baseball players in our district. They have both died. These three men were all a little heavier than I was when they were at their best, but when they died they were about 50 pounds overweight. They died when they were still young men. As I have said, this proves that we perhaps eat too much and we eat things that are not good for us. We drink too much, too.

May I say, too, that when I came down here as a member I endeavoured to revive the custom of playing a few games of baseball, and to encourage some of the boys to try to get in condition. I knew what had happened here, and I knew of the tragic occurrence during a game being played here. Some of my well meaning friends in the house suggested that I should act my age; that I should not make any attempt to re-organize the games at this time. I did make the statement then that I thought we could die faster sitting in these chairs than we would on the ball field if we kept ourselves in shape by playing games. I am sorry to say that that prophecy has been fulfilled. There have been a number of members who have died, and a number of them were younger than I am. I am pleased to be able to say that none of those who participated in the games we have played became casualties. The members to whom I have referred were not athletes. They may have been athletes in their earlier days, but they did not take part in the games we played here. I could cite many other cases to prove the point I have in mind.

For example, I have seen men who could shovel tons of grain, corn and sugar beet on their farms day after day without apparent ill effect. However, after a short time of retirement and a period of idleness they would break down while moving a bit of light, fluffy snow off their sidewalk. They were not fitted to do the work they had previously done.

Now, I feel certain that this legislation could serve a most useful purpose if it were to have the effect of developing a number of good athletes. Then, these athletes could go around the country and tell the people how they became good athletes and how they intend to remain good athletes. The example they set would be an inspiration to the rest of the people. I would stress the point, however, that it is not enough to play games for a while, and on this point I am in disagreement with an hon. member who spoke a while ago and said the playing of games should be limited to those between the ages of 14 and 21 or 22. I stress the fact, as I say, that it is not enough to play games for a while and expect to keep strong and healthy for the rest of your life. It is like your bank balance, you must keep adding to it if you hope to keep spending or you will go broke.

May I venture to say that I have seen many athletes who had trouble in their later years because they trained only for the purpose of excelling at a sport, and for nothing else. When the sport failed to give them a substantial financial return, they neglected themselves and returned to an untrained condition. In this untrained condition they are sometimes tempted to do what they used to be able to do while they were in training. The result is that they have a breakdown in their early years. Apparently, they fail to appreciate the value of maintaining a high standard of physical efficiency or are interested only in the money they receive from the sport. The most important purpose of sport, in the final analysis, is to exemplify the use that can be made of a body that is physically fit. I feel, therefore, there should be those who can speak with authority, who can not only advise people on how to become athletes but also

on how they can retain their athletic ability in the later years of life. May I also stress the fact that those who are less inclined to take part in sports for various reasons, who never try to make the team, are the ones who need the training most and who would benefit from it to a greater degree.

In my opinion, physical fitness comes ahead of athletic prowess. If you are fit, you can become athletic. If you engage in strenuous activities without being fitted for them, you are inviting trouble. I think we witnessed proof of that right on our front lawn here not too many years ago. It is much more important to keep fit in later life than it is to merely learn to play games during one's youth and then neglect oneself later. It is my well considered opinion, based on observation and experience over a period of many years, that the time when there is the greatest need to be physically fit is in the later years of life, when there is a tendency to let down and take things easy. If one has been active in sports in early life, the need becomes even greater than ever for some form of training to be continued in the later years. The medical profession acknowledges that the later years are the dangerous years. I feel very strongly about the fact that any program that is developed should be designed to encourage the people of all ages to engage in sport and thereby benefit from any plan that is approved. In my opinion it is much more important to health to keep fit later in life than merely to learn to play games in the period of youth. By nature the young are generally blessed with the desire to be active. The very young are almost impossible to keep quiet. We older people sometimes need a bit of prodding to get us to do what we know we should do. Our bodies were designed to be worked. I have often stated that it is by work and care of our bodies that we earn and deserve the right to be fit.

At this point I should like to refer to a number of statements that were made by Dr. Thomas K. Cureton, of Urbana, Illinois, a noted authority on physical fitness, while speaking on this subject in London, Ontario, recently. I am quoting from a press report:

> —a person can extend his or her active life by 15 to 20 years... by following a moderate program of exercise and relaxation, said Dr. Thomas K. Cureton, of Urbana, Illinois...
>
> In the United States each year approximately 1,300,000 people have coronary attacks, he said. "They just fold up and it is not due to any disease that can be identified under a microscope. The general state of physical fitness in the United States and Canada is a bit pitiful."
>
> Habits make the difference, he said. Graphs charting the fitness of thousands of people show a pronounced decline at the middle-twenties,—
>
> Graphs charting the fitness of thousands of people show a pronounced decline at the middle-twenties, when most young people drop active sports for career and household duties.
>
> "Our bodies should be constantly trained to meet the physical and mental stresses that crop up suddenly—"it might be shovelling snow, or severe tension or over-excitement."
>
> He advised all mature individuals to adopt a definite plan of exercise, with these points in mind.

That is why I stated I do not agree with the remarks of the hon. member who spoke. I should like to repeat this sentence:

I should also like to refer to the remarks made by the hon. member for Jasper-Edson (Mr. Horner) while speaking in this house on March 16 last as recorded at page 3063 of *Hansard*. I may say that the hon. member for Jasper-Edson was speaking on the agriculture estimates and was dealing with the use of butter at that particular time. But since he also referred to another matter I am going to quote him here. He states:

> —butter is a grade A food which we can eat and enjoy without regard for the bogey man of coronary thrombosis, for behind the threat of coronary thrombosis are a number of other factors besides the cholesterol level in the blood.
>
> I think the greatest underlying factor is a lack of exercise. Canadians and the people of the United States in general are victims of what we might call transportationitis which leads to their taking little physical exercise. This rather than the overeating of fats is probably the greatest cause of heart disease. Of course, I hasten to say that moderation in all things is a sound principle the application of which is essential for good health and this applies to the consumption of animal fats as it applies to other foods.

May I say that I am not one of those who subscribe to the idea that our days are numbered, no matter what we do. I sincerely believe that we can definitely and deliberately add considerably to the length of our own days and, just as definitely, add to the measure of enjoyment of those days, by the way in which we care for our bodies. I believe that we will just as definitely reduce the length of our lives and the measure of enjoyment we get while we live, by taking the opposite course of neglect and misuse. There is a scriptural recording to be found in the 90th psalm, verse 12, which reads as follows:

> So teach us to number our days, that we might apply our hearts unto wisdom.

To my mind that is a divine inference that we may number our own days by the way in which we live now. I do not intend the things I have said to seem unkind. In fact, I intend them to be the opposite. While some of the statements may seem to be unkind now, I predict that as the years pass, the day will come when most of those who are listening here and most of those who may read what I have said will agree that the suggestions I have made here are the most

kindly and most friendly advice that I could have given on this matter. If you lose your health and strength, you have lost everything of value. If you can improve your health and keep it longer, you will have gained the greatest treasure.

I am very pleased to have contributed something to a measure which I am sure can help the people by pointing the way toward that goal whereby they may maintain that sense of well being that will enable them to skip, to run, to jump, to dance, to play, to row a canoe down the Rideau river, to chop a log of firewood, to walk from their home to the parliament buildings or to do almost anything within reason. I suggest that if you keep yourself in condition for these things you can go on year after year doing these things you like to do. I know it can be done by those who are willing to train to that end. I am glad to say something to encourage that training.

These things that I have outlined today, Mr. Speaker, are some of the things that I feel a physical fitness council or representatives of such a council will be obliged to tell the people of our country if they hope to accomplish the greatest measure of success and to make this resolution or this bill serve the purpose it should serve.

May I conclude by saying that I am glad to be able to lend my support to any measure which will inspire the people, young or old, to strive toward that goal whereby they might obtain and maintain that greatest of all possessions, namely health and strength.

Mr. Robert Simpson (Churchill): Mr. Speaker, in taking part in this debate I should like to associate myself with the hon. members who have preceded me in speaking in their congratulations to the Minister of National Health and Welfare for bringing this resolution before the house. I feel that every member of the house will be in support of this type of resolution. I am sure also that they will join with me in feeling that very beneficial results can follow if this resolution is properly administered. Certainly we all hope that will be the case. The results which can come from legislation such as this are of course, as has been mentioned by previous speakers and as is well known, a healthier nation and a greater national pride. These are probably the two things which are most important in this bill. As I see it, there are two ways in which legislation of this nature can take effect. The first is that it can be forced upon the people. The other—which applies in Canada at least, and I believe it is the only one which should apply—is that this legislation should tend to make sports so attractive that the majority of our people will wish to participate.

[Mr. Campbell (Lambton-Kent).]

The question is asked at the outset, "Why is financial assistance needed in this regard?" I think the first answer is that it is needed to provide the necessary facilities to allow more people to participate in amateur sport and a fitness program. The organization of such a program and the tremendous job of coaching needed is necessarily going to require large sums of money. Travelling expenses for our international representatives, although taken care of normally through other means, should be given consideration in the moneys which are available through this legislation. Then there is the question of the promotion of leadership and incentive to take part in amateur sport. In the promotion of leadership and incentive large sums of money will be required to line up the program across the nation.

I should like at this time to endorse the remarks of the hon. member for Calgary South (Mr. Smith), who said that the incentive to take part is possibly one of the more important aspects which has to be put across to the people. As far as I am concerned, the incentive to take part is the most important aspect. If a person has not the incentive to take part in a program of this nature, he might as well forget about it.

All of us have had the experience of desiring our children to take part in sports or athletics of some sort. I think that without giving it too much thought many of us from time to time have felt it is essential that our children should do this. To a point it is fairly essential. But as far as team sports are concerned, I have found that a person should be encouraged in the first instance to give it a try. If after giving it a try they find out that they do not desire to continue in that sport, I do not think they should be given any further encouragement, because if they have not the incentive to take part in the sport they will only be a headache to somebody in the future. Therefore in my opinion the incentive to take part is one of the more important aspects of this type of legislation.

This, along with the provision of facilities and the organization of coaching for such a program is going to be one of the main tasks with which the council will have to deal. I believe this can present quite a problem. I think the suggestions put forward in some of the speeches made this afternoon will provide a certain amount of guidance to the council when set up.

There is one other aspect of a program of this nature that is almost as important, if not just as important, as promoting the incentive to take part. I refer to the vast number of volunteer workers throughout Canada who have given freely of their time

for many years in order to promote the incentive for young people to take part in various forms of amateur sport. Without these workers this or any other country would never get very far. These are the people whom it is impossible for any country to replace by paid workers. These are the people who will have to be given a great deal of consideration by the council when it is set up.

When I say they will have to be given a great deal of consideration, I do not mean that consideration should be given in any way, shape or form to paying these people salaries. However, I do feel that money must be spent on encouraging these people who have been doing this work to continue in it. We should encourage more volunteer workers to enter this field. I think the way in which this money can best be spent is in seeing that these people are financially able to attend coaching schools, which schools will undoubtedly have to be set up under this program.

I am sure that every hon. member in the house has come in contact in his own community and others with this vast army of volunteer workers. I am sure we all realize how important they are. However, I should like to dwell on this subject for a moment or two because I believe it is a most important one.

In the town of Flin Flon, Manitoba, in which I live we have been very well blessed with the tremendous number of volunteer workers we have had throughout the years in the field of promoting amateur sport and fitness among the residents of that town. This has resulted in winning a tremendous number of provincial championships for the town. They are too numerous to mention at this time. I believe the number of provincial championships won by teams and individuals representing the town of Flin Flon is a record unsurpassed by any other town in Manitoba.

I am not saying this in a selfish manner of pride in the town of Flin Flon or on behalf of the citizens of the town, but I am trying to make a point in regard to these volunteer workers. Four years ago the junior hockey club of Flin Flon, the Flin Flon Bombers, was successful in winning the memorial cup, emblematic of the junior hockey championship of Canada.

An hon. Member: Amateurs?

Mr. Simpson: Yes, definitely amateurs. Junior hockey in Canada has climbed to a point where most of our major cities only support one club. Some cities, such as Winnipeg, support three or four clubs; but in general even the large eastern cities only support one, and sometimes, two, junior hockey clubs. In fact, most of these cities have on their rosters players imported from all parts of Canada. But when the Flin Flon Bombers won the memorial cup in the spring of 1957, from a town of 15,000 people 11 out of the 15 players on the roster were local boys who had learned and played all their hockey in the town of Flin Flon.

They were playing against a club from the Ottawa-Hull district which had a club with players in it from all over Canada. I must agree that as far as the coaching end of the Flin Flon hockey club is concerned we had a man who is, in my opinion, the top junior coach in Canada and a lot of credit is certainly due to Mr. Bobby Kirk, the coach of that club. However, I do not believe this would ever have been accomplished if it were not for the large number of volunteer workers who gave so freely of their time to managing, coaching, officiating, time keeping etc. and generally taking care of the minor hockey clubs in our town. As I said before, this applies of course to many parts of Canada.

Now I should like to deal with one or two ideas as to how this money could be used to best advantage. First of all, as has been mentioned before, I think the council should give considerable attention to the possibility of conducting nationally sponsored coaching schools in the various provinces of Canada. When I talk about these coaching schools I should like to offer a word of suggestion to the council. I suggest they take a look at the system which the national hockey league has been using for a number of years. The league sends a well known coach and a well known referee to various cities across Canada to conduct one-day clinics in coaching and officiating. This has been beneficial. I think it has shown good results, particularly in western Canada. However, I do not want to see this same system adopted by the council. It is not too bad as far as a one-day school for officials is concerned, because there you have an official of the national hockey league sitting down and discussing the problems which arise in refereeing a hockey game and here you have a teacher instructing people who are going to use this information. But when it comes to a one-day coaching school the situation is entirely different. Here you have a well-known coach attempting to pass on to other people interested in coaching all the fundamentals of coaching a hockey team. He is trying to do all this in one day—to pass on lessons which it has taken him years and years of experience to learn. The difficult part is that he is not only teaching these men how to coach, but that they in turn have to go out and try to impart this information to the

players. The idea is all right but I do not think that one day is sufficient for a school of this nature. I would therefore suggest that when these coaching schools go across the country serious consideration should be given to extending them over a period of three, four or five days in each area, and for a further period if necessary. I also think the council should consider setting up nationally sponsored schools in most regions of Canada for volunteer workers, not only to impart to them the idea that Canada in general appreciates their services but to impart ways and means of adding to their value in this field.

I think, also, that schools should be conducted for organizers in the various parts of Canada. Some people may say we are going to have too many schools. However, these are three entirely different fields of endeavour; one is for coaching, the other is for volunteer workers and the other is for organizers. I feel it is essential we should have these organizers, particularly if any form of recreation in addition to strictly amateur sport and fitness is to be taken into consideration.

A few years ago, when legislation similar to this was in being, the province of Manitoba was among the provinces which took advantage of the federal legislation to the extent that it assisted communities which had decided to employ a recreation director. The provincial authority paid part of the cost incurred by the communities concerned. The result was good in many cases, but in some cases the municipalities were merely engaging these men because federal aid was available. Their programs fell through, and eventually the legislation was taken off the statute books in Ottawa and discontinued. I think the council which will be set up under the terms of this legislation should give consideration to assisting, through the provincial authorities, any communities which are interested in paying their share of acquiring a recreation director.

The legislation with which we are dealing is certainly very controversial, and many of us have our own ideas of how it should be worked out. In 1958 there was a Canadian Press ballot asking the following question: "Should the federal government subsidize amateur sport in an effort to develop athletes of international calibre for a healthier nation?" The voting at that time was 86 in favour and 20 against. Hon. members will see, therefore, that this, is a very controversial question. However, I am sure every one of us here is anxious to see this bill come into force and to play his part in seeing that it works.

There are many who feel that all forms of recreation should come under this bill. I know that a large number of the people in the town in which I live feel this way. However, for the time being I think the council should take its first look at assisting fitness and amateur sport. As time goes on, possibly the other forms of recreation could be included. If that were to come about I think more money would be needed. However, I believe that could wait for a year or two yet.

I believe, also, that when we talk of sponsored coaches and organizers the council should give consideration to hiring coaches and organizers on a full time basis in some specific cases. But they must be men of proven ability. There have been times in the past when Canada has lost valuable coaches through the lack of employment opportunities in this field in Canada. I think they should be careful about this and that consideration should not be given to everyone who may call himself a coach. Only coaches of proven ability should be given this consideration.

I think we must examine means of making better use of our existing facilities to achieve greater results in this field. When we examine the question of assisting our teams to participate in the field of international sports we should consider the possibility of using the facilities of the Royal Canadian Air Force as a means of transporting our players. The planes of the R.C.A.F. make trips during the week to many countries in the world and perhaps these facilities could be used by our athletes representing Canada in international sports events.

Greater use should also be made of the facilities of the Canadian Broadcasting Corporation to publicize important sports events and our outstanding athletes. Many people have said that the radio has made the national hockey league the financial success it is. This applies not only to Toronto but other areas. I agree that radio broadcasts have tended to increase the gates in various cities and I feel that the C.B.C. through its television facilities could render a valuable service to amateur sports in Canada by giving them publicity. If more publicity were given to our national athletes through television and other means an additional incentive would be created for more people to participate in sports events.

I do not recall having seen televised a single national amateur hockey final. Professional hockey games are televised consistently and often the national league finals are not sponsored but are presented as a public service of the C.B.C. The same should be done with respect to amateur finals.

Each of us must ask himself this question: How do I feel about Canada's prestige in the matter of international sports events such as

the Olympic games? As legislators we must answer this question. The sports council, of course, must also face this question and answer it. We talk glibly about our prestige and national pride in athletics, but what do we actually do about it? I have advanced a few suggestions which I feel are deserving of consideration. I wish particularly to stress the importance of achieving greater publicity through the facilities of the C.B.C. I ask hon. members to consider how well they remember the athletes who through a great deal of self denial have brought honours to Canada by winning Olympic gold medals. Most of us recall, of course, how thrilled we were as a nation when Percy Williams astounded all the experts by bringing two gold medals to Canada in 1928 when he won both the 100 metre and the 200 metre dash. This was the second time that Canada had won a sprint. I wonder how many hon. members will recall who brought that honour to Canada on a previous occasion? In 1908 Mr. R. Kerr won the 200 metre event in the Olympics.

We remember people such as Percy Williams simply because of the publicity which was given at the time of the event. Probably none of us has given a second thought to the fact that in 1928 when Percy Williams returned from the Olympic games with two gold medals Ethel Catherwood of Saskatoon also brought home a gold medal for winning the ladies' running high jump. I recall this because on her return a public reception was held in her honour at Winnipeg.

We all remember Barbara Ann Scott who in 1948 won the ladies' figure skating event but we remember her mainly because of the publicity that was accorded her success. How many of us remember Canada's only gold medalist in individual events in 1952? Honours were won in that year by young George Genereux of Saskatoon in the trap shooting event. Back in 1908 the same honour was brought to Canada when the gold medal was won by W. H. Ewing. I wonder how many of us remember the names Robert Paul and Barbara Wagner who won the figure skating pairs medal this year at Squaw Valley? Probably in a year or two their names will have been forgotten by many of us. We do not forget the names of people like Jesse Owens and other United States winners because of the tremendous publicity accorded them. Their names are by-words when we come to think of athletics. We tend to forget the names of our Canadian athletes and yet as a nation we sometimes feel very deflated when our athletes fail to measure up to the standards of the athletes of other nations.

Some hon. members have suggested that we must be careful not to allow this money to be spent in such a way that professionals will receive the final benefits and with this I agree. I am heartily in accord with the statement made by the hon. member for Calgary South who said that professional sport certainly has its place in our way of life. Professional sport serves as an incentive to many young people to participate in amateur games, an incentive which we as legislators and citizens have probably failed to give them.

Before closing I wish to draw to the attention of hon. members the record of Canadian athletes in Olympic games in the past. Of how many of these outstanding athletes have we even heard? The marathon was won only once, by Mr. W. J. Sherring in 1906. The 10,000 metre walk was won only once, by Mr. G. H. Goulding, in 1912. The 110 metre hurdle was won only once, by Mr. E. J. Thomson in 1920. The men's running high jump was won once in 1932. This event was given a little publicity so probably many of us remember Dunc MacNaughton. The sled dog racing event was won once, in 1932 by Emil St. Godard of The Pas, Manitoba.

Turning now to hockey it will be remembered that Canada won the event in 1920, 1924, 1928 and 1932. It was not until 1936 that for the first time Canada did not win. That was the year that Great Britain, with a team composed mostly of players who learned their hockey in Canada, won the Olympic hockey event. In 1948 and 1952 Canada won but in 1956 the U.S.S.R. won and in 1960 the event was won by the United States.

As I said, there are some who say that we must make sure that this money is not spent so that the professional people will derive the ultimate benefit. When some of them say that, I think that possibly they have in mind the hockey situation in Canada today. I think that amateur hockey in Canada should be given all the support that the council can give it because the Canadian amateur hockey association, one of the largest sport groups in Canada, with a registration of approximately 120,000 players from the lowest age group up, has only one paid official, their secretary-manager, Mr. Gordon Juckes of Melville, Saskatchewan. They have only one paid official in their whole organization which looks after the interests of 120,000 children. When you compare Canada's hockey record with its record in other sports in Olympic competition, I think it is obvious that this is one sport that should be given every encouragement by the committee so that our prestige in Olympic competition with respect to our national game can be restored and maintained in the future in order that Canada may come out on top in Olympic competition in this event as we did in the past.

Advisory Council on Sports

In the 1960 summer Olympic games Canada finished twenty sixth out of 53 countries competing and in the winter Olympics at Squaw Valley Canada finished eighth out of 16. When our children come home from school with their report cards and have marks under 50 we feel that something is wrong and something must be done about the situation. If we look at our record in the 1960 Olympics we find that in the winter games we did get 50 per cent but in the summer Olympics we were slightly below that mark. So far as the field of international sport is concerned, I would say that the council to be set up should take into consideration all factors which will assist Canada to produce athletes who can compare favourably with the athletes of other countries. It is not always absolutely necessary that they win. As long as they go to these games and give a good account of themselves, we are all proud of them. However, I believe that the council should give the fullest consideration to those athletes who will be competing in international sport. I should like to suggest particularly that the council should not be scared away from hockey because of the fact that the professionals eventually get most of our hockey players. I think the council should take a look at our great record in hockey in the past and give it as much support as any other branch of amateur sport in Canada.

Mr. M. L. McFarlane (Kootenay East): Mr. Speaker, at this time I should also like to extend my congratulations to the minister for bringing in this legislation. I believe it is good legislation and I certainly support the contention of previous speakers this afternoon. I do not believe we can minimize the importance of sport in its various phases from amateur right through to professional. A great deal has been said this afternoon about those who have excelled in various sports in the past. I should like to ask the question, what about those who do not excel? What about the average hockey player, the average basketball player, the average tennis player or the average player in any kind of sport? I think these are the people whom we should assist.

At the present time there are established councils all across Canada. There are a great number in small communities as well as a great number in the larger centres. I think these are the people who need assistance. I should like to suggest to the minister that we use our existing government agencies. In most districts across Canada there are already recreational directors who have been appointed by a province or municipality or perhaps by a county. I believe we should use the present administrative set-up rather than establishing elaborate administrative machinery at this time. I believe we should work with the municipal authorities who are in possession of the facts as to local needs and the necessity of promoting sport among the younger generation.

I was very pleased to see that the word "recreation" has been omitted from the bill. Otherwise we would have been in the impossible position of possibly supplying coaches for ardent bridge players or golfers and we might even have found ourselves in the position of supplying coaches for those who play tiddly-winks. I believe that we should cut down the overhead and see that financial help is given to the smaller groups rather than spending tremendous amounts on administration and for council meetings, joint meetings and other meetings all over Canada.

There is another point I should like to bring to the minister's attention. We must cover all types of sport. Various organizations have made pleas. I received one this afternoon from the Canadian amateur hockey association. I believe we should also give consideration to the Canadian amateur basketball association, the Canadian amateur football association, the Canadian amateur rugby association and so on so that we will cover all kinds of sport.

I should also like to have the assurance that the $5 million will be spent for the benefit of those in need of physical fitness, and I believe that in initiating this program we have to start with the youth of the country. Thousands of our younger generation are looking for leadership at the present time and I know that the minister and the government are capable of and willing to give such leadership.

A great deal has been said this afternoon about the necessity of training coaches. I should like to take a slightly different view. I believe coaches are a necessity but what might happen is that we might train a great number of coaches who would be allocated to the larger centres in Canada. I believe that the situation is just as serious in our smaller municipal centres where it would be impossible to obtain people qualified to teach amateur sports to a small group. Elimination of the smaller centres in Canada would have a serious effect. If we look at the line-ups of teams that have excelled in different sports we will find that the majority of the players have come from small communities.

At this point I should like to take hon. members back a few years to 1936 or 1937. In British Columbia at that time there was formed what was called a "pro-rec" department. The provincial government of the day spent thousands of dollars on this program which in my view was a very good one if

it had been properly organized and administered. In my own little area, we received over $2,000 worth of physical education equipment, and yet today I do not believe that any part of this equipment can be located. I feel we have a tremendous job to do in supplying leadership for this program.

In addition, I should like to suggest that we should support those who are working with our younger people in all lines of sports. They will produce better hockey players, better baseball players, better basketball players, better lacrosse players, across Canada. There are a great number of these sports that have been played on small playing fields or small sheets of ice, without the use of the elaborate buildings that have been suggested from time to time in this debate. I cannot help, Mr. Speaker, but pass along a word of congratulation to all those voluteer workers to which the previous speaker referred, who are the backbone of our amateur sports in Canada. It is on the basis of their work that we are going to establish this physical fitness and make it possible for our young people in Canada to reach that goal towards which they have been striving for a number of years.

Mr. P. B. Rynard (Simcoe East): Mr. Speaker, I wish to congratulate the minister upon the introduction of this bill. I think it is an excellent one and one which is long overdue. I believe it will be one that will provide a broad basis upon which governments, federal, provincial and municipal, will be able to build. We should keep in mind, at the same time, all the pitfalls that are related to the problems of coaching, classes and the even distribution of funds across Canada.

It is no secret that young Canadians have not participated in sports and training to the extent that they should. This participation in training has become necessary over the years in the light of changing conditions in Canada. In 1900 over 50 per cent of the population was engaged in working on farms, doing physical work from daylight to dark. Today, only 10 per cent of the people work on farms because these farms have become mechanized and most of the heavy work is done by machinery. The greater part of our population today is living in urban areas. Even here, the physical work is being cut to a minimum through the use of power mowers, power shovels and snow ploughs. All these things have reduced the physical work tremendously. Shorter working hours have provided a great deal of leisure time. As a matter of fact, not long ago I saw a statement by a psychologist to the effect that the ideal day consists of eight hours work, eight hours sleep, and eight hours play. I believe it is the eight hours of playtime that must be better planned. People require physical work to keep their muscles, heart and other organs functioning properly. People require physical work not only to keep these organs fit but also in order to eliminate waste products in the bloodstream and to burn up other by-products which may be deposited in the body and do irreparable harm.

It is a fact that most Canadians follow occupations which are classed as sedentary. Most of us overeat and do not take sufficient exercise, if we take any at all. Any contribution that this bill will make towards interesting the people of Canada in proper exercise and physical fitness, will contribute in no small measure to the happiness of the individual and to his feeling of well being. In addition, it will also add a few years of extra life. The interest aroused in physical fitness and regular exercise will result in improving the mental condition of our people. I am thinking particularly of the stresses and strains of modern life which drive people to seek tranquillizers and sleeping pills. A physically tired body is a healthy body and of itself encourages relaxation and sleep.

I think, too, of our teenagers and young people with all the spare time that they have on their hands. The other day I noticed that a religionist pointed out that the spare time we have today is one of the tragedies of our time; that the responsibility of charting the activities in which young people engage must be faced by all of us. The fashion for the young people is to get a car of some vintage or other and go places. Most of the appeal is from commercial establishments trying to make a dollar from these people. Some of these teenagers join gangs. An outlet must be found for all this youthful exuberance, and it is small wonder that it finds an outlet in fights and so forth. An interest in sport is inherent in most youngsters, therefore we do have a great responsibility in providing opportunities for planned sport, physical fitness classes and general activities which require physical work. None of our youth in Canada must be by-passed. We must give the youth of this country an opportunity to try to mobilize to become physically and morally strong people with the spiritual courage to make Canada a model for the world to copy.

Mr. John Smith (Lincoln): Mr. Speaker, I deem it a privilege to rise and speak briefly on this bill to encourage physical fitness and amateur sport. I do not intend to go into the broad principles of the bill which have been well covered by the many speakers who have preceded me. However, sir, there is one sport to which I should like to refer and there is one part of the bill about which I should like to speak briefly. I do not want anyone

to think I am partial to a particular sport. However, we have heard references to hockey, lacrosse, baseball, football and a great variety of sports. I should like to bring to the attention of the minister amateur rowing.

Now, amateur rowing is a sport in which many municipalities cannot participate because it is a water sport. However, it is a sport in which the participants must attain a very high standard of physical fitness. They must spend many long hours in training, and often with very little publicity. This particular sport, amateur rowing, is well supported by our universities and colleges, and in many cases by our public and high schools. It is a sport, therefore, that we must keep to the forefront; we must not allow it to die out. It is a sport that requires very expensive equipment, but there seem to be those throughout the country who are prepared to help supply it. I think the minister should also lend his support. Many Canadians who in the past have followed this sport have gone abroad and in competition with oarsmen from other countries have brought to Canada national fame through winning what is known as the Diamond Sculls which is the world championship for rowing. I can recall at the present time four who brought that honour to Canada.

In the riding which I have the honour to represent we have a very active rowing club which is fully supported by the high schools. We also have the Henley course which is the course to which students from many high schools in the province of Ontario and in other parts of Canada come from time to time during the summer to hold their contests. At the Henley course there we also have once a year the big event, when teams from the United States and all over Canada come to contest for the international championship.

Rowing is probably not the most important sport in Canada but nevertheless it is an important sport in Australia, New Zealand, South Africa and Germany, and more particularly in Great Britain. It is a sport that develops strength of character. It is truly a builder of physical fitness and young manhood. When the Minister of National Health and Welfare is considering the setting up of the physical fitness council, which is part of the bill, I would ask that he give consideration to having on that council someone who is an authority on amateur rowing, as I feel that rowing is a very important sport for our universities, our colleges and our high schools.

I am not going to deal any further with the bill. I realize that many have spoken. I concur in most of what has been said and I wish to lend my support one hundred per cent to the bill itself.

Mr. A. D. Hales (Wellington South): Mr. Speaker, I wish to assure you at the outset that I shall be very brief in the remarks I have to make regarding this very outstanding piece of legislation which the minister has brought before us. I think all phases have been covered very thoroughly. However, I should like to bring to the attention of the minister and the council that he shall appoint the fact that, to the best of my knowledge, nowhere in Canada is there a university that provides a degree in the faculty of physical education. I believe that anyone in Canada who wishes to specialize in this field must go to the United States in order to obtain such a degree. I would think that Canada has arrived at the point, having regard to her population and her stature, that we should have in Canada a university that would provide such a degree in physical education.

At this time, if I may, Mr. Speaker, I should like to suggest that the University of Toronto, at their faculty of agriculture situated in Guelph, has one of the finest physical education buildings to be found anywhere in North America. It would lend itself ideally to the formation of a faculty of physical education for Canada.

I should like to say how much I as a member appreciate—as I am sure do all other hon. members—the great work the volunteer coaches are doing in the field of amateur sport throughout Canada. I am sure this legislation will serve a very useful purpose in bringing about fitness and improving amateur sport throughout Canada. In so doing we shall be developing young Canadians who will be the citizens of tomorrow.

Mr. Speaker: I must inform the house that if the minister speaks now he will close the debate.

Hon. J. W. Monteith (Minister of National Health and Welfare): Mr. Speaker, I will be very brief at this stage. I should just like to thank all hon. members for their contributions today. I know there has been a great deal of co-operation in the past. It is true that I mentioned that matter earlier in speeches that have been made in the house on private members bills previously. I think it is the unanimous opinion of the house that the bill should be passed. I can assure all hon. members that every suggestion which has been brought before the house today will be presented to the council for its consideration. I appreciate all the advice that has been offered and it will also be passed on. Many excellent ideas have been put forward, some varying

somewhat from others, but at any rate they will all be presented to the council for consideration. I shall, of course, be very happy to go into details on the bill when we come to the committee stage.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Chown in the chair.

Clauses 1 to 6 inclusive agreed to.

On clause 7—*Council established.*

Mr. Clermont: I would ask the minister who will appoint the member from each province?

Mr. Monteith (Perth): The governor in council. The members are appointed by the governor in council.

Mr. Clermont: I would direct the minister's attention to the fact that the French text states that he will be appointed by the province. The wording is as follows:

(Translation):

(4) Each province shall have on the Council at least one member appointed by the province.

(Text):

Mr. Monteith (Perth): May I ask the hon. member to repeat that?

Mr. Clermont: This is the French wording:

(Translation):

(4) Each province shall have on the Council at least one member appointed by the province.

(Text):

Do you mean the province?

Mr. Monteith (Perth): I fail to understand how that clause 7, subclause 4, reads in that way in French. In the English version it reads as follows:

(4) Of the members of the council, at least one shall be appointed from each province.

We will take this into consideration, of course, but I understand the French version does indicate that the province will name the members.

Some hon. Members: Yes.

Mr. Monteith (Perth): I am afraid there is something wrong in the printing here. Can you advise me what to do in these circumstances, Mr. Chairman?

Mr. Denis: Perhaps, Mr. Chairman, the minister could amend the English version.

The Deputy Chairman: I suggest that the correction be made in subsequent printings of the French version. If the minister asserts that the clause is properly worded in the English version, then the only logical solution would be to make the correction in subsequent printings of the French version.

Mr. Monteith (Perth): I am assuming that will transpire, will it? That correction will be made in subsequent printings?

The Deputy Chairman: Is this the wish of the committee?

Mr. Denis: Seriously, Mr. Chairman, why do we not amend the English version so that each province could name at least one member? I suppose that if the province is led by the C.C.F., there are some C.C.F.er's who are good sports and they might find in their ranks someone to represent their party. The same thing applies to the Social Credit party. I think it would be just and fair that the province should name at least one member of the council. I think the minister could do that. It will not hurt if at least one member is named by each province, because even if there were nine from each province, that would be fair.

Mr. Monteith (Perth): I am not indicating exactly how this appointment from each province will be made, but the intent of the bill is that one member shall be appointed from each province. I prefer to stand by the English version.

Mr. Benidickson: I think that perhaps in our large province of Ontario the most western area might have an opportunity to be represented on the council.

Mr. Chairman, I know the minister is tolerant and I may be rather late in asking him a question or two. However, I should like to ask the minister whether or not he foresees that a municipal enterprise such as that in Kenora, about which I am very concerned, might in the development of swimming pools, tracks, interior tennis areas and so on, receive a small guarantee in this regard. I wonder whether it might also receive a contribution under the program of the minister contained in this bill?

Mr. Monteith (Perth): I believe this clause has been passed, but I am glad to mention that of course the projects would come up through the provinces under provincial agreements, just as they do under the national health grants. As a consequence, if the province puts forward a project I assume it will be considered by the council.

Mr. Chevrier: Mr. Chairman, I want to say a word in connection with the point raised by my hon. friend from Labelle. I do not think we can leave this point as it is because, as the hon. member has pointed out, the English bill clearly states:

Of the members of the council, at least one shall be appointed from each province.

On the other hand, the language in the French version of the bill indicates that the province shall appoint. Under those circumstances, Mr. Chairman, I think there is only

one thing to do; that would be for you to consult the Clerk of the house as to whether there is a precedent for this situation, and what under the circumstances is the best method of determining the point. We certainly cannot have a bill in the English language saying one thing and the same bill in the French language leaving it open to another interpretation. I am sure that is the last thing the minister would want. This is a suggestion that I throw out for what it is worth. It seems to me to be a reasonable one.

The Deputy Chairman: I have already sent a suggestion to the house leader by messenger that an amendment to the French version could be offered by the government to correct the situation. It is not incumbent upon the Chair to consult with the Clerk of the house so much as I think it is for the government to correct the situation by the appropriate amendment.

Mr. Denis: Mr. Chairman, I thought the two languages were official. In my view there is another mistake in the title. The English says "fitness" and the French says "la santé". I think "la santé" would be translated by the word "health", but one can be healthy and not fit for such sports or activities.

Mr. Drysdale: Then how would the hon. member translate "fitness"?

Mr. Monteith (Perth): I would suggest, Mr. Chairman, that "health" may be a proper interpretation of "fitness" in the same sense. I am sorry I am not sufficiently well versed in the French language to be able to give a proper translation. I admit that a healthy person might have a good blood pressure and all that sort of thing, but he might still not be too fit.

Mr. Denis: Yes.

Mr. Monteith (Perth): I accept that. In my interpretation "fitness" does mean "health". If a person is healthy, then I think he has a certain degree of fitness.

Mr. Denis: I still do not quite understand this word "fitness".

Mr. Monteith (Perth): Would "aptitude" be the word for "fitness"?

Mr. Benidickson: Let us develop the people who have not the aptitude.

Mr. Denis: "Condition physique" would be a better translation than "la santé".

Mr. Chambers: Let us deal with one at a time.

Mr. Drysdale: Mr. Chairman, I am not too well versed in the French language but I wonder whether the effect of clause 7 (4) would be carried out if we left out the words "qu'elle a nommé" and put a period after the word "membre"? Would this give the same effect as the English translation? I think that although the two languages are equal the Minister of National Health and Welfare is more familiar with the English language and would tend to look at the English version and assume that the translation gave the same effect. I think if we removed the words "qu'elle a nommé" and put a period after the word "membre" the French version would have the same effect as the English version.

Mr. Balcer: Mr. Chairman, I think that after the brilliant suggestion of the previous speaker I shall recommend him as a new member of "académie française" very soon. I would move that the last four words of the subclause be removed. The new subclause would then read:

(Translation):

Each province shall have on the Council at least one member.

And the last four words of subclause 4 would be dropped.

(Text):

Mr. Chevrier: It now develops that there are two inaccurate translations to this bill, the first as pointed out by the hon. member for Labelle and the second by the hon. member for St. Denis. As I look at this and at the clock I am wondering whether it would not be more advisable to ask the translators to look at this matter during the dinner recess, meanwhile standing the title and the clause, because although I think the intention of the amendment moved by the minister and so ably initiated by the hon. member for Burnaby-Richmond is a good one, nonetheless I personally do not like the way the sentence in French now ends. It seems to me there might be a more elegant way of doing it. So I suggest that for greater clarity, to expedite the business of the house and also to preserve the two official languages, the course I have mentioned should be taken.

Mr. Monteith (Perth): I have no objection to that being done. I was just wondering if the committee would agree to deal with the other clauses.

(Translation):

Mr. Denis: Mr. Chairman, since the Minister of Transport (Mr. Balcer) has spoken of the French Academy and since he is in the process of becoming a member of that famous body, perhaps he could lend a hand to the Minister of National Health and Welfare (Mr. Monteith) so that the title of the bill we are now considering be translated adequately.

In my opinion, the word "fitness" should be translated in French by the words "condition physique", which is "physical condition" in English.

This has nothing to do with health. In fact, I could easily be an excellent hockey player and have trouble.

(Text):

The Deputy Chairman: Is it agreed that clause 7 be allowed to stand?

Some hon. Members: Agreed.

Clause stands.

Clauses 8 to 14 inclusive agreed to.

Progress reported.

PRIVATE BILLS

Hon. Gordon Churchill (Minister of Veterans Affairs): Mr. Speaker, I wonder if I could interrupt our proceedings at this stage to ask for consent to revert to motions in order to deal with a matter pertaining to the divorce bills on the order paper.

Mr. Speaker: Has the hon. member leave to revert to motions?

Some hon. Members: Agreed.

Mr. Churchill: The house has before it a number of divorce bills which could perhaps be dealt with promptly within the next two days if we take certain action now.

This has been a difficult problem for parliament to resolve, that is, the method of dealing with divorce bills, and over the last two years a great deal of time has been spent in attempting to reach a solution. On some occasions we seem to have come very close to doing so, but not with the unanimity that is desirable. However, in view of the fact that the people who have made application for divorces have done so bona fide as far as we know and have complied with the law of the land it might seem wise to the house to deal with these bills this year and to continue to search for what some people consider would be a better solution to this entire problem. I am prepared to make this statement for the record which, if agreed to by other parties in the house, might permit us to proceed with the divorce bills on this occasion. I should like to make this statement: the question of procedure with respect to parliamentary divorce is under study, and the government has hopes of being able to present to the house at the next session some proposals in this regard.

If that is acceptable to the house then perhaps at this stage we might at least agree later on tonight or when we have completed our discussion on the Pine Point railway bill—if we do complete it—or certainly before the house rises at 10.30 to give second reading to the divorce bills on the order paper. These would then go to the standing committee on miscellaneous private bills for consideration tomorrow and when they return from that committee they will be available to the house for third reading.

Hon. J. W. Pickersgill (Bonavista-Twillingate): I think that what the leader of the house has said will commend itself to my friends in the house. As is well known there are a number of hon. members on both sides who would, perhaps, not wish to approve these bills but I think there is a feeling that, as long as this procedure and no other exists, persons who have acted in good faith should not be denied a relief which has been available since confederation.

Indeed, I would hazard the suggestion that rather than embark during the next ten minutes on the affairs of the Pine Point railway and then go back to the other bill and return to the Pine Point railway matter again before considering this subject further, that if there were no objection from any other quarter of the house we might during the next ten minutes carry out the suggestion made by the leader of the house and give second reading to these bills which are on the order paper and send them to the committee right away in order that they might be considered as soon as possible.

Mr. Frank Howard (Skeena): If a solution to this particularly vexing parliamentary problem could have been found and agreed upon earlier this session it might, at least, have contributed to a less apoplectic attitude on the part of some hon. members who are not with us at the moment.

However, as far as the researches of the government and others are concerned, we look forward with great hopes and anticipation to a solution of this problem. We hope that at the next session this difficulty may be overcome as far as parliament is concerned and that these particular bills will be able to be dealt with in a more expeditious, fairer and more just manner.

With regard to the bills now before us I think it would take not the ten minutes we have until six o'clock to give them second reading. If past practice is followed of passing them by automation I am sure we could give them passage within 10 or 15 seconds.

Mr. Churchill: The proposal is agreeable, Mr. Speaker.

Mr. Speaker: Is it agreeable, then, that the house proceed now to deal with private bills, being bills Nos. 1 to 353 on the order paper, in one motion?

Some hon. Members: Agreed.

Mr. Benidickson: Mr. Speaker, have you referred to Bill No. SD-110 in this respect, or am I wrong?

Divorce Bills

Mr. Speaker: The motion now proposed is that Bills Nos. SD-1 to SD-100 inclusive, and SD-102 to SD-106 inclusive, and SD-108 to SD-264, and SD-266 to SD-356, inclusive in each case, listed as orders Nos. 1 to 353 inclusive under the heading "Private Bills" on today's order paper be now read a second time. Is it the pleasure of the house to adopt the motion?

Some hon. Members: Agreed.

SECOND READINGS—SENATE BILLS

Bill SD-1, for the relief of Jean George Lipsman.—Mr. McCleave.

Bill SD-2, for the relief of Margaret Terese MacDonald Tombs.—Mr. McCleave.

Bill SD-3, for the relief of Esther Miller Finkelstein.—Mr. McCleave.

Bill SD-4, for the relief of Matilda Aboud Henrig, otherwise known as Matilda Aboud Levac.—Mr. McCleave.

Bill SD-5, for the relief of Charles Malcolm Macdonald.—Mr. McCleave.

Bill SD-6, for the relief of Georgette Ginette Richardot Marica.—Mr. McCleave.

Bill SD-7, for the relief of Roland Labelle.—Mr. McCleave.

Bill SD-8, for the relief of Robert Clair Alger.—Mr. McCleave.

Bill SD-9, for the relief of Susanne Louise Eismann Weinfield.—Mr. McCleave.

Bill SD-10, for the relief of Florida McIntyre Marcil.—Mr. McCleave.

Bill SD-11, for the relief of Muriel Frances Marion Simpson Anfossi.—Mr. McCleave.

Bill SD-12, for the relief of Norma Catherine Shearly McMullan.—Mr. McCleave.

Bill SD-13, for the relief of Violanda Fuoco Delage.—Mr. McCleave.

Bill SD-14, for the relief of Leonda Suzanne Winston Gold.—Mr. McCleave.

Bill SD-15, for the relief of Georgette Claudy Bercier Brabant.—Mr. McCleave.

Bill SD-16, for the relief of Anneliese Bauer Kreuzer.—Mr. McCleave.

Bill SD-17, for the relief of Beulah Maybelle Purcell Stewart.—Mr. McCleave.

Bill SD-18, for the relief of Diana Fraid Gross.—Mr. McCleave.

Bill SD-19, for the relief of Nancy Anne Gray Levesque.—Mr. McCleave.

Bill SD-20, for the relief of Agnes Larkin McBride.—Mr. McCleave.

Bill SD-21, for the relief of Sheila Rose Hutchison Dendy.—Mr. McCleave.

Bill SD-22, for the relief of Clara Melamed Schultz.—Mr. McCleave.

Bill SD-23, for the relief of Josephine Badaha Amyoony Marchadier.—Mr. McCleave.

Bill SD-24, for the relief of Bella Grafstein Weintraub.—Mr. McCleave.

Bill SD-25, for the relief of William John Eamer, junior.—Mr. McCleave.

Bill SD-26, for the relief of Dorren Mary Swain Mather.—Mr. McCleave.

Bill SD-27, for the relief of Dorothy Grace Brown Vallieres.—Mr. McCleave.

Bill SD-28, for the relief of Nellie Frances Drake.—Mr. McCleave.

Bill SD-29, for the relief of Louis Fruttero.—Mr. McCleave.

Bill SD-30, for the relief of Fritz Flunkert.—Mr. McCleave.

Bill SD-31, for the relief of Claude Thibault.—Mr. McCleave.

Bill SD-32, for the relief of Remmechiena Elsiena Jonker.—Mr. McCleave.

Bill SD-33, for the relief of Mary Billias.—Mr. McCleave.

Bill SD-34, for the relief of Helene Lempp.—Mr. McCleave.

Bill SD-35, for the relief of Jean Elizabeth Geraldine Vimbor.—Mr. McCleave.

Bill SD-36, for the relief of Hela Hinda Fachler.—Mr. McCleave.

Bill SD-37, for the relief of Norma Skolar.—Mr. McCleave.

Bill SD-38, for the relief of Jack Warran Jones.—Mr. McCleave.

Bill SD-39, for the relief of Phyllis Marjorie Bradley.—Mr. McCleave.

Bill SD-40, for the relief of Barbara Phyllis Barnes.—Mr. McCleave.

Bill SD-41, for the relief of Clifford Harvey Stevens.—Mr. McCleave.

Bill SD-42, for the relief of Nicolas Denis Lazanis.—Mr. McCleave.

Bill SD-43, for the relief of Hedwig Anna Kiss.—Mr. McCleave.

Bill SD-44, for the relief of Mildred Linda Sexton.—Mr. McCleave.

Bill SD-45, for the relief of Hugh Donald McKean.—Mr. McCleave.

Bill SD-46, for the relief of Catherine Louise Puddicombe.—Mr. McCleave.

Bill SD-47, for the relief of Eunice Beverley Donaldson.—Mr. McCleave.

Bill SD-48, for the relief of Florrie Naomi Wise.—Mr. McCleave.

Bill SD-49, for the relief of Leslie Alfred Wheable.—Mr. McCleave.

Bill SD-50, for the relief of Roslyn Reisler.—Mr. McCleave.

Bill SD-51, for the relief of Viola Saykaly.—Mr. McCleave.

Bill SD-52, for the relief of Barbara Rose Isenberg.—Mr. McCleave.

Bill SD-53, for the relief of Thelma Rosemary Picher.—Mr. McCleave.

Bill SD-54, for the relief of Frank Grilli.—Mr. McCleave.

Bill SD-55, for the relief of Rita Joubert.—Mr. McCleave.

Bill SD-56, for the relief of Evelyn Ann Joy.—Mr. McCleave.

Bill SD-57, for the relief of Wendy Grace McCullough.—Mr. McCleave.

Bill SD-58, for the relief of John Dyall.—Mr. McCleave.

Bill SD-59, for the relief of Anna Marie Cholette.—Mr. McCleave.

Bill SD-60, for the relief of Richard Lorne Moat.—Mr. McCleave.

Bill SD-61, for the relief of Juliana Green.—Mr. McCleave.

Bill SD-62, for the relief of Marie Veronique Elmire Bugeaud.—Mr. McCleave.

Bill SD-63, for the relief of Victor Robert Selvin Rafuse.—Mr. McCleave.

Bill SD-64, for the relief of Francis John Turner.—Mr. McCleave.

Bill SD-65, for the relief of Mary Berler.—Mr. McCleave.

Bill SD-66, for the relief of Ruth Anna Becker.—Mr. McCleave.

Bill SD-67, for the relief of Annunziata Collin.—Mr. McCleave.

Bill SD-68, for the relief of Sophie Greuzinger Abelius.—Mr. McCleave.

Bill SD-69, for the relief of Joan Miller.—Mr. McCleave.

Bill SD-70, for the relief of Marie Anne Sigouin.—Mr. McCleave.

Bill SD-71, for the relief of Jean Paul Dussault.—Mr. McCleave.

Bill SD-72, for the relief of Aleksander (Olexa or Oleksa) Chomenko.—Mr. McCleave.

Bill SD-73, for the relief of Robert Whitla Ross.—Mr. McCleave.

Bill SD-74, for the relief of Margherita Di Paolo.—Mr. McCleave.

Bill SD-75, for the relief of Pauline Lewkowict.—Mr. McCleave.

Bill SD-76, for the relief of Marie Louise Aline Ross.—Mr. McCleave.

Bill SD-77, for the relief of Gisela Lydia Elisabeth Hunnius.—Mr. McCleave.

Divorce Bills

Bill SD-78, for the relief of Dorothy Gertrude Payment.—Mr. McCleave.

Bill SD-79, for the relief of Pierrette De Vynck.—Mr. McCleave.

Bill SD-80, for the relief of Dorothy Joan Kovacs.—Mr. McCleave.

Bill SD-81, for the relief of John Vereshack.—Mr. McCleave.

Bill SD-82, for the relief of Eloi Vincent.—Mr. McCleave.

Bill SD-83, for the relief of Frederick William Steppings.—Mr. McCleave.

Bill SD-84, for the relief of Dawn Carolyn Kronen.—Mr. McCleave.

Bill SD-85, for the relief of Maria Ildiko Leitner.—Mr. McCleave.

Bill SD-86, for the relief of Nora Vida Dobie.—Mr. McCleave.

Bill SD-87, for the relief of Janina Keller.—Mr. McCleave.

Bill SD-88, for the relief of Gordon Angus Moore.—Mr. McCleave.

Bill SD-89, for the relief of Maurice Robert.—Mr. McCleave.

Bill SD-90, for the relief of Johann Kinzl.—Mr. McCleave.

Bill SD-91, for the relief of Elizabeth Robb Lilley.—Mr. McCleave.

Bill SD-92, for the relief of Marguerite Archambault.—Mr. McCleave.

Bill SD-93, for the relief of Nancy Viola Doolittle.—Mr. McCleave.

Bill SD-94, for the relief of Elsie Margaret Turnau.—Mr. McCleave.

Bill SD-95, for the relief of Ruth Manhaim.—Mr. McCleave.

Bill SD-96, for the relief of Micheline Maud Huguette Deutschenschmied.—Mr. McCleave.

Bill SD-97, for the relief of Edith Martha Ami.—Mr. McCleave.

Bill SD-98, for the relief of Christa Krusemer.—Mr. McCleave.

Bill SD-99, for the relief of John Dennis Grubb.—Mr. McCleave.

Bill SD-100, for the relief of Frank (Franz) Ziegler.—Mr. McCleave.

Bill SD-102, for the relief of Amblena Eva Margaret Mary Brouse.—Mr. McCleave.

Bill SD-103, for the relief of Marion Pelletier.—Mr. McCleave.

Bill SD-104, for the relief of Catherine Lorraine Berthe Unity Miller.—Mr. McCleave.

Bill SD-105, for the relief of Pierre Blagdon.—Mr. McCleave.

Bill SD-106, for the relief of Helen Rita Freestone.—Mr. McCleave.

Divorce Bills

Bill SD-108, for the relief of Mary Ann Elizabeth Datko.—Mr. McCleave.

Bill SD-109, for the relief of Frances Jane Ball.—Mr. McCleave.

Bill SD-110, for the relief of Annie Beatrice Fordham.—Mr. McCleave.

Bill SD-111, for the relief of June Catherine Volkart.—Mr. McCleave.

Bill SD-112, for the relief of Edith Ruth Gurd.—Mr. McCleave.

Bill SD-113, for the relief of Marie Lea Gertrude Constantinides.—Mr. McCleave.

Bill SD-114, for the relief of Vera May Kirkpatrick.—Mr. McCleave.

Bill SD-115, for the relief of Kathleen Isabel Argue.—Mr. McCleave.

Bill SD-116, for the relief of Florence Parks.—Mr. McCleave.

Bill SD-117, for the relief of Elaine Linda Goldberg.—Mr. McCleave.

Bill SD-118, for the relief of Mary Helen Cormier.—Mr. McCleave.

Bill SD-119, for the relief of Margaret Evelyn Grierson.—Mr. McCleave.

Bill SD-120, for the relief of Madeleine St. Arnaud.—Mr. McCleave.

Bill SD-121, for the relief of Ronald Clarence Breen.—Mr. McCleave.

Bill SD-122, for the relief of Sally Falovitch.—Mr. McCleave.

Bill SD-123, for the relief of Frederick John Downey.—Mr. McCleave.

Bill SD-124, for the relief of Shirley Mae Clarke.—Mr. McCleave.

Bill SD-125, for the relief of Jadwiga Nowak.—Mr. McCleave.

Bill SD-126, for the relief of Robert Fender.—Mr. McCleave.

Bill SD-127, for the relief of Joseph George Marcel Raymond Mady.—Mr. McCleave.

Bill SD-128, for the relief of Reuben Gerald Sheaves.—Mr. McCleave.

Bill SD-129, for the relief of Jean Paul Bourque.—Mr. McCleave.

Bill SD-130, for the relief of Theresa Catalfamo.—Mr. McCleave.

Bill SD-131, for the relief of Charles Woods.—Mr. McCleave.

Bill SD-132, for the relief of Joan Winnifred Chrystal.—Mr. McCleave.

Bill SD-133, for the relief of Dorothy Darling.—Mr. McCleave.

Bill SD-134, for the relief of Lilla Margit Irenne Fekete.—Mr. McCleave.

Bill SD-135, for the relief of Elisabeth Franziska Chamulka.—Mr. McCleave.

[Mr. Speaker.]

Bill SD-136, for the relief of Evelyn Patricia Hunter.—Mr. McCleave.

Bill SD-137, for the relief of Walter Mason.—Mr. McCleave.

Bill SD-138, for the relief of Anthony John Tunstall.—Mr. McCleave.

Bill SD-139, for the relief of Ignatz Radakovitz.—Mr. McCleave.

Bill SD-140, for the relief of Howard Ferncon Olsen.—Mr. McCleave.

Bill SD-141, for the relief of Theresa Irene Godfrey.—Mr. McCleave.

Bill SD-142, for the relief of Geraldine Bousquet.—Mr. McCleave.

Bill SD-143, for the relief of Bernice Clara Judd.—Mr. McCleave.

Bill SD-144, for the relief of Geraldine Koch.—Mr. McCleave.

Bill SD-145, for the relief of Joyce Mary Walker.—Mr. McCleave.

Bill SD-146, for the relief of Jeanne Ouellette.—Mr. McCleave.

Bill SD-147, for the relief of Patricia Helen Gagnon.—Mr. McCleave.

Bill SD-148, for the relief of Thelma Beatrice Davis.—Mr. McCleave.

Bill SD-149, for the relief of Lydia Ingeborg Pachurka.—Mr. McCleave.

Bill SD-150, for the relief of Ourania Timotheatos, otherwise known as Orania Timotheatos.—Mr. McCleave.

Bill SD-151, for the relief of James Christopher Younger Elliott.—Mr. McCleave.

Bill SD-152, for the relief of Bernice Catherine Bealy.—Mr. McCleave.

Bill SD-153, for the relief of Helene Martineau.—Mr. McCleave.

Bill SD-154, for the relief of Yvette Cecile Millar.—Mr. McCleave.

Bill SD-155, for the relief of Mary Evangeline Jackson.—Mr. McCleave.

Bill SD-156, for the relief of Andrew Drummond Page.—Mr. McCleave.

Bill SD-157, for the relief of Katie Pollack. —Mr. McCleave.

Bill SD-158, for the relief of Shelagh (Sheila) Harriet Jacqueline Smith—Mr. McCleave.

Bill SD-159, for the relief of Roy Charles Melvin—Mr. McCleave.

Bill SD-160, for the relief of Shirley Margaret Ball.—Mr. McCleave.

Bill SD-161, for the relief of Irene Ruth Farber.—Mr. McCleave.

Bill SD-162, for the relief of Margaret Edith Myrtle Latour.—Mr. McCleave.

Divorce Bills

Bill SD-163, for the relief of Charles Georges Andre Perrin—Mr. McCleave.

Bill SD-164, for the relief of Norma Helen Hall—Mr. McCleave.

Bill SD-165, for the relief of Evelyn Byrd Taylor.—Mr. McCleave.

Bill SD-166, for the relief of Eileen Mary Grant.—Mr. McCleave.

Bill SD-167, for the relief of Shirley Levitt. —Mr. McCleave.

Bill SD-168, for the relief of Judith Patricia Hogwood.—Mr. McCleave.

Bill SD-169, for the relief of Rose Linden. —Mr. McCleave.

Bill SD-170, for the relief of William Gibb Barnard.—Mr. McCleave.

Bill SD-171, for the relief of Joseph Armand De Bellefeuille.—Mr. McCleave.

Bill SD-172, for the relief of Bernard Campeau.—Mr. McCleave.

Bill SD-173, for the relief of Derrick Walsh. —Mr. McCleave.

Bill SD-174, for the relief of Genevieve Bollen.—Mr. McCleave.

Bill SD-175, for the relief of Joseph Palma Lucien Boucher.—Mr. McCleave.

Bill SD-176, for the relief of Joseph Arthur Roger Courtois.—Mr. McCleave.

Bill SD-177, for the relief of Catherine Dale Porter.—Mr. McCleave.

Bill SD-178, for the relief of Betty Jean Maurice-Jones.—Mr. McCleave.

Bill SD-179, for the relief of Margaret Nancy Bishop.—Mr. McCleave.

Bill SD-180, for the relief of Thelma Annie McKenna.—Mr. McCleave.

Bill SD-181, for the relief of Florence Mary Gibson.—Mr. McCleave.

Bill SD-182, for the relief of James Valiant Hatch.—Mr. McCleave.

Bill SD-183, for the relief of Sofia Kleiza. —Mr. McCleave.

Bill SD-184, for the relief of Elizabeth Ziehm.—Mr. McCleave.

Bill SD-185, for the relief of Mary Winnifred Paiement.—Mr. McCleave.

Bill SD-186, for the relief of Dorothy Irene Payette.—Mr. McCleave.

Bill SD-187, for the relief of Nancy Carol Stead.—Mr. McCleave.

Bill SD-188, for the relief of Leo Thivierge. —Mr. McCleave.

Bill SD-189, for the relief of Lola Polka.— Mr. McCleave.

Bill SD-190, for the relief of Stella Liberman. Otherwise known as Stella Silverman. —Mr. McCleave.

Bill SD-191, for the relief of Patricia Cotton. —Mr. McCleave.

Bill SD-192, for the relief of Verna Wilson Ellis.—Mr. McCleave.

Bill SD-193, for the relief of Mary Freda Doutre.—Mr. McCleave.

Bill SD-194, for the relief of Wilhelm Antoni.—Mr. McCleave.

Bill SD-195, for the relief of Lilian Eleanor Hartglas.—Mr. McCleave.

Bill SD-196, for the relief of Kathleen Gordon.—Mr. McCleave.

Bill SD-197, for the relief of Roslyn Isaacs. —Mr. McCleave.

Bill SD-198, for the relief of Claire Gray. —Mr. McCleave.

Bill SD-199, for the relief of Olga Megas. —Mr. McCleave.

Bill SD-200, for the relief of Frances Bourassa.—Mr. McCleave.

Bill SD-201, for the relief of Janet Ellen Nelley.—Mr. McCleave.

Bill SD-202, for the relief of Helen Mary Mailath.—Mr. McCleave.

Bill SD-203, for the relief of Helen Mary Vol.—Mr. McCleave.

Bill SD-204, for the relief of Douglas Yetman.—Mr. McCleave.

Bill SD-205, for the relief of Martha Klein. —Mr. McCleave.

Bill SD-206, for the relief of Thelma Joy Tapp.—Mr. McCleave.

Bill SD-207, for the relief of Marie Therese Beaudry.—Mr. McCleave.

Bill SD-208, for the relief of Leon Schwertfinger.—Mr. McCleave.

Bill SD-209, for the relief of Dorothy Golden.—Mr. McCleave.

Bill SD-210, for the relief of Brenda Ruth Black.—Mr. McCleave.

Bill SD-211, for the relief of Agnes May Hurst.—Mr. McCleave.

Bill SD-212, for the relief of Stanley Sager. —Mr. McCleave.

Bill SD-213, for the relief of Rae Price.— Mr. McCleave.

Bill SD-214, for the relief of Margaret Bloom.—Mr. McCleave.

Bill SD-215, for the relief of Beena Barbara Koch.—Mr. McCleave.

Bill SD-216, for the relief of Pacifique Raymond Jean Ghislain Van Gulick.—Mr. McCleave.

Bill SD-217, for the relief of Theresa Bernadette Rose.—Mr. McCleave.

Bill SD-218, for the relief of Ila Rothman. —Mr. McCleave.

Divorce Bills

Bill SD-219, for the relief of Marcel Paquet.—Mr. McCleave.

Bill SD-220, for the relief of Ada Florence Roberts.—Mr. McCleave.

Bill SD-221, for the relief of Hannah Dorothy Erlich.—Mr. McCleave.

Bill SD-222, for the relief of Teresa Mary Seguin.—Mr. McCleave.

Bill SD-223, for the relief of Mary Stella Williams.—Mr. McCleave.

Bill SD-224, for the relief of Kathleen Louisa Harrison.—Mr. McCleave.

Bill SD-225, for the relief of Ilona Helen Adler.—Mr. McCleave.

Bill SD-226, for the relief of Lillian Chalfen.—Mr. McCleave.

Bill SD-227, for the relief of Dolores Norma Auclair.—Mr. McCleave.

Bill SD-228, for the relief of Patricia Lillian Mary Walker.—Mr. McCleave.

Bill SD-229, for the relief of Milan Yankovic.—Mr. McCleave.

Bill SD-230, for the relief of Norma Eileen Hicks.—Mr. McCleave.

Bill SD-231, for the relief of Edith Erlick. —Mr. McCleave.

Bill SD-232, for the relief of Sidney Russell Drake.—Mr. McCleave.

Bill SD-233, for the relief of Grace Evelyn Lewis.—Mr. McCleave.

Bill SD-234, for the relief of Ursula Edith Elsie Morgan.—Mr. McCleave.

Bill SD-235, for the relief of Marie Marguerite Jeannette Enlow.—Mr. McCleave.

Bill SD-236, for the relief of Barbara Lois Golden.—Mr. McCleave.

Bill SD-237, for the relief of Eva Maria Muller.—Mr. McCleave.

Bill SD-238, for the relief of Neil Marriott Compton.—Mr. McCleave.

Bill SD-239, for the relief of Carol Marilyn Margot Norcott.—Mr. McCleave.

Bill SD-240, for the relief of Eileen Alice Rose.—Mr. McCleave.

Bill SD-241, for the relief of Mable Irene Collin.—Mr. McCleave.

Bill SD-242, for the relief of Johan Hendrick Van Hattem.—Mr. McCleave.

Bill SD-243, for the relief of Rhoda Heitner.—Mr. McCleave.

Bill SD-244, for the relief of Normand Guy.—Mr. McCleave.

Bill SD-245, for the relief of Elizabeth McInnis.—Mr. McCleave.

Bill SD-246, for the relief of Carl Wilhelm Larson.—Mr. McCleave.

Bill SD-247, for the relief of Timothy Garfield Pilon.—Mr. McCleave.

Bill SD-248, for the relief of Mary Theressa Oliver.—Mr. McCleave.

Bill SD-249, for the relief of Egidia Floriana Ines Zeppettini.—Mr. McCleave.

Bill SD-250, for the relief of Georgette Lemieux.—Mr. McCleave.

Bill SD-251, for the relief of Sylvia Spivak. —Mr. McCleave.

Bill SD-252, for the relief of Margaret Pate Orr.—Mr. McCleave.

Bill SD-253, for the relief of Laureen Elizabeth Saunderson.—Mr. McCleave.

Bill SD-254, for the relief of Jeannine Marleau.—Mr. McCleave.

Bill SD-255, for the relief of Doris Villeneuve.—Mr. McCleave.

Bill SD-256, for the relief of Estelle Shetzen.—Mr. McCleave.

Bill SD-257, for the relief of Eva Knopf.— Mr. McCleave.

Bill SD-258, for the relief of Marie Alice DeWit.—Mr. McCleave.

Bill SD-259, for the relief of Jean-Louis Trudel.—Mr. McCleave.

Bill SD-260, for the relief of Doris Elizabeth McEllin.—Mr. McCleave.

Bill SD-261, for the relief of Mary Jane Gabrielle Black.—Mr. McCleave.

Bill SD-262, for the relief of Lucien Aube. —Mr. McCleave.

Bill SD-263, for the relief of Denis Biron.— Mr. McCleave.

Bill SD-264, for the relief of Guy Robitaille. —Mr. McCleave.

Bill SD-266, for the relief of Edith Henshaw Owen.—Mr. McCleave.

Bill SD-267, for the relief of Ruth Duggan. —Mr. McCleave.

Bill SD-268, for the relief of Joseph Georges Maurice Legault.—Mr. McCleave.

Bill SD-269, for the relief of Lomer Lussier.—Mr. McCleave.

Bill SD-270, for the relief of Anna May Blair.—Mr. McCleave.

Bill SD-271, for the relief of Norma Bernet Vallieres.—Mr. McCleave.

Bill SD-272, for the relief of Rose Belsky. —Mr. McCleave.

Bill SD-273, for the relief of Csilla Groszman.—Mr. McCleave.

Bill SD-274, for the relief of Selma Kostiner.—Mr. McCleave.

Bill SD-275, for the relief of Leah (Lily) Goldberg.—Mr. McCleave.

[Mr. Speaker.]

Bill SD-276, for the relief of Isabella Gardiner.—Mr. McCleave.

Bill SD-277, for the relief of Diana Miriam Favreau.—Mr. McCleave.

Bill SD-278, for the relief of Philias Doil Menard.—Mr. McCleave.

Bill SD-279, for the relief of Viesturs Goba. —Mr. McCleave.

Bill SD-280, for the relief of Clifford Woodward Hall.—Mr. McCleave.

Bill SD-281, for the relief of Emelia Gador. —Mr. McCleave.

Bill SD-282, for the relief of Barbara Jean Bertram O'Brien.—Mr. Cleave.

Bill SD-283, for the relief of Arthur George Sims.—Mr. McCleave.

Bill SD-284, for the relief of Gladys Evelyn Viau.—Mr. McCleave.

Bill SD-285, for the relief of Yvonne Humbert-Droz.—Mr. McCleave.

Bill SD-286, for the relief of Joseph Paul Maurice Marcel Lefebvre.—Mr. McCleave.

Bill SD-287, for the relief of Thomas Smith.—Mr. McCleave.

Bill SD-288, for the relief of Marie Pauline Monique Denise Ferron.—Mr. McCleave.

Bill SD-289, for the relief of Mara Wokrina.—Mr. McCleave.

Bill SD-290, for the relief of Joyce Mary Hagemeyer.—Mr. McCleave.

Bill SD-291, for the relief of Rowland McLean Loftus.—Mr. McCleave.

Bill SD-292, for the relief of Janina Stefania Luszczki.—Mr. McCleave.

Bill SD-293, for the relief of Esther Mary Adler.—Mr. McCleave.

Bill SD-294, for the relief of Marie Juliette Ida Dick.—Mr. McCleave.

Bill SD-295, for the relief of Fred Austin Griffith.—Mr. McCleave.

Bill SD-296, for the relief of Joseph Paul Jules Jodoin.—Mr. McCleave.

Bill SD-297, for the relief of Janet Louisa Davis.—Mr. McCleave.

Bill SD-298, for the relief of Margaret Dorothy Smith.—Mr. McCleave.

Bill SD-299, for the relief of Christopher John Henry Doscher.—Mr. McCleave.

Bill SD-300, for the relief of Martha Saltvik.—Mr. McCleave.

Bill SD-301, for the relief of Eva Farkass.— Mr. McCleave.

Bill SD-302, for the relief of Albert Courtois.—Mr. McCleave.

Bill SD-303, for the relief of Madeleine Lebegue.—Mr. McCleave.

Divorce Bills

Bill SD-304, for the relief of Anthony Roy Rabone Hearn.—Mr. McCleave.

Bill SD-305, for the relief of Joseph Alfred Pope.—Mr. McCleave.

Bill SD-306, for the relief of Marigold Mavis Singer.—Mr. McCleave.

Bill SD-307, for the relief of Georgette Anne O'Leary.—Mr. McCleave.

Bill SD-308, for the relief of Ann Cicely Cosgrove.—Mr. McCleave.

Bill SD-309, for the relief of Agnes Hallstein.—Mr. McCleave.

Bill SD-310, for the relief of Shirley Sherry Aileen Sarah Bronfman.—Mr. McCleave.

Bill SD-311, for the relief of Leta Sybil Farmer.—Mr. McCleave.

Bill SD-312, for the relief of Vlasta Suchomel.—Mr. McCleave.

Bill SD-313, for the relief of Lilian Norah Smith.—Mr. McCleave.

Bill SD-314, for the relief of Sarah Galganov, otherwise known as Sarah Gale.— Mr. McCleave.

Bill SD-315, for the relief of Anna Zinger. —Mr. McCleave.

Bill SD-316, for the relief of Lucien Gagnon.—Mr. McCleave.

Bill SD-317, for the relief of Dennis James Haney.—Mr. McCleave.

Bill SD-318, for the relief of George Kenneth Polk.—Mr. McCleave.

Bill SD-319, for the relief of Mario Lattoni. —Mr. McCleave.

Bill SD-320, for the relief of Vincent Laplaca.—Mr. McCleave.

Bill SD-321, for the relief of Marie Marguerite Jeanne-d'Arc Paiement.—Mr. McCleave.

Bill SD-322, for the relief of Joy Earle.— Mr. McCleave.

Bill SD-323, for the relief of Barbara Rosemary Olga Barbary.—Mr. McCleave.

Bill SD-324, for the relief of Assof Ernest Shaar.—Mr. McCleave.

Bill SD-325, for the relief of Joseph Wilfrid Paul Emile Marois.—Mr. McCleave.

Bill SD-326, for the relief of Erwin Gustav Pfeifer.—Mr. McCleave.

Bill SD-327, for the relief of Rita Elizabeth Bowden.—Mr. McCleave.

Bill SD-328, for the relief of Hazel Margaret Calvert.—Mr. McCleave.

Bill SD-329, for the relief of Luciano Domenis.—Mr. McCleave.

Bill SD-330, for the relief of Antonio (Arthur) Archambault.—Mr. McCleave.

Divorce Bills

Bill SD-331, for the relief of Ernestine Lavallee.—Mr. McCleave.

Bill SD-332, for the relief of Joseph Honore Antonio Lacerte.—Mr. McCleave.

Bill SD-333, for the relief of Doreen Chantigny.—Mr. McCleave.

Bill SD-334, for the relief of Sema Borodow.—Mr. McCleave.

Bill SD-335, for the relief of Gisele Lamarche.—Mr. McCleave.

Bill SD-336, for the relief of Estelle Mathieu.—Mr. McCleave.

Bill SD-337, for the relief of Vilma Beaudoin.—Mr. McCleave.

Bill SD-338, for the relief of Donald Kirk.—Mr. McCleave.

Bill SD-339, for the relief of Jacques-Emile Blanchard.—Mr. McCleave.

Bill SD-340, for the relief of Guy Thomas Carpenter.—Mr. McCleave.

Bill SD-341, for the relief of George Louis Draper.—Mr. McCleave.

Bill SD-342, for the relief of Berthe Daigneault.—Mr. McCleave.

Bill SD-343, for the relief of Stephen Beauchemin.—Mr. McCleave.

Bill SD-344, for the relief of Marie Gabrielle Lise Chouinard.—Mr. McCleave.

Bill SD-345, for the relief of Zar Boik.—Mr. McCleave.

Bill SD-346, for the relief of John Anthony Clifford Manning.—Mr. McCleave.

Bill SD-347, for the relief of Pearl Arron.—Mr. McCleave.

Bill SD-348, for the relief of Joseph Alfred Laflamme.—Mr. McCleave.

Bill SD-349, for the relief of Dorothy Elizabeth Davies.—Mr. McCleave.

Bill SD-350, for the relief of Elizabeth Rae Murphy.—Mr. McCleave.

Bill SD-351, for the relief of Hazel May Terry.—Mr. McCleave.

Bill SD-352, for the relief of Therese Hastings.—Mr. McCleave.

Bill SD-353, for the relief of Paul Lapres.—Mr. McCleave.

Bill SD-354, for the relief of Mary Christine Sweeney.—Mr. McCleave.

Bill SD-355, for the relief of Corinne Ryder Nurse.—Mr. McCleave.

Bill SD-356, for the relief of Evelyn Sue Newton.—Mr. McCleave.

Mr. Speaker: One other waiver of the formalities of the rules is necessary to permit the committee to sit at once and I take it the intention of the house following the statement of the Minister of Veterans Affairs is that the committee proceed to consider these bills and report on them, if it can, so that they may come back to the house without undue delay.

I draw the attention of hon. members to the wording of paragraph 1 of standing order No. 106:

106 (1) No committee on any private bill originating in this house is to consider the same until after one week's notice of the sitting of such committee has been first affixed in the lobby; nor, in the case of any such bill originating in the Senate, until after 24 hours' like notice.

Therefore, it will be seen that 24 hours' notice would be required. If the house would give consent to the suspension of the standing order with respect to these particular bills which have just received second reading it would be possible for the committee to proceed.

Mr. Howard: There are some bills which might be considered contentious concerning which there is some likelihood of contestation arising out of irregularities which might exist. By the waiving of this rule we would not wish to deprive individuals the right of a hearing of their case nor to have dissolution of marriage granted when perhaps it should not be granted.

Mr. Speaker: Perhaps the hon. member will be prepared to leave that to the good sense and judgment of the committee. It is a matter for them. This waiver would only permit the bills to come before the committee. On that basis, is it agreed?

Some hon. Members: Agreed.

Mr. Pickersgill: Mr. Speaker, before the next order is called, may I suggest to the house leader that we call it six o'clock now. It seems rather absurd to embark on a discussion of the Pine Point railway bill for five minutes and then to come back to the other bill which was not fully completed. In making this suggestion perhaps I should ask the house leader if it is clearly understood that we will be disposing of the other bill at 7.30 so that no hon. member will feel, if he is a few minutes late, that he is being restricted in his rights.

Mr. Churchill: In order that all might be informed I corroborate the statement that we intend to proceed with Bill No. C-131 and take up the corrections that have been made in its translation, to be followed by consideration of Bill C-126. Both are in committee. Perhaps we could move into committee now and then call it six o'clock.

Mr. Speaker: Is it agreed that the house proceed in committee with Bill No. C-131?

Some hon. Members: Agreed.

SPORTS

ESTABLISHMENT OF ADVISORY COUNCIL ON PHYSICAL FITNESS AND AMATEUR SPORT

The house resumed consideration in committee of Bill No. C-131, to encourage fitness and amateur sport—Mr. Monteith (Perth)—Mr. Chown in the chair.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at 7.30 p.m.

On clause 7—*Council established.*

(Translation):

Mr. Balcer: Mr. Chairman, following the brief discussion we had this afternoon with respect to the French version of the bill now before the committee, I should like to propose this amendment to subsection (4) of section 7:

That Bill C-131 be amended by the deletion of subsection (4) of section 7, and its replacement by the following, in the French version:

(4) Au sein du Conseil, chaque province doit compter au moins un membre qui en provient.

Now, with regard to the other point raised by my hon. friend from St. Denis (Mr. Denis) concerning the translation of the word "fitness", I must say, first of all, that the translators have looked into this problem, and this may seem peculiar to the hon. members, but the word "fitness" is extremely difficult to translate in the present context. Personally, I think that the word "santé" was well suited for the definition of the bill, because this is an act to promote health through amateur sport. After all, a person who does not enjoy good health can regain health through sports and athletics.

However, if the committee insists on having the word "santé" replaced because it is a little too vague or because it could lead to confusion, I should tell the committee that it has been suggested to me that in such a case, the expression "condition de l'individu" could be substituted for the word "santé". The title would then read as follows: "Favorisant la condition de l'individu par la pratique du sport amateur". Then the word "santé" would be replaced by the expression "condition de l'individu" wherever it appears in the bill.

Mr. Denis: Mr. Chairman, I hope you will forgive me for interrupting the minister but the word "condition" means nothing in itself. The words "condition physique" or "santé physique" would be all right.

During the recess hour, we ventured to consult the larger dictionaries. We found that, the word "fitness" was translated by "santé physique". It may seem strange, but the translation of fitness is "santé physique". Everyone knows that we usually say: "He is in good condition; he is in form". However, "santé physique" is defined in the dictionary by the words "en forme". By itself, the word "santé" would have no meaning, just like "condition" used alone would have no meaning.

I therefore suggest that we simply add to the word "santé" the adjective "physique".

Mr. Balcer: Mr. Chairman, I think that what my colleague the Minister of National Health and Welfare wanted to make clear is that we are concerned here with both mental and physical health. Besides, the well known saying *"mens sana in corpore sano"* shows that the word "santé" is used for both mental health and physical health.

When my colleague the Minister of National Health and Welfare suggested that we use that word in the French version, he meant that this legislation encourages physical and mental health of the individual.

As regards the word "condition", that word has an athletic meaning. Here is the definition I find in the Larousse dictionary:

Is applied to animals and athletes whose physical fitness has reached the highest degree of development, when they are capable of putting forth without fatigue the effort for which they are trained.

So we do not need the words "bonne condition" when speaking of the "condition de l'individu", because it would be a pleonasm. In this case, it should be "condition".

As for me, I am far from being a linguist, but I am of the opinion that the word "santé" is a good translation of "fitness", since it means in fact the physical and intellectual or mental health of the individual.

Mr. Denis: If it is a case of explaining the intention of the Minister of Health and Welfare when he talks about "physical and mental health", why not amend the English version by substituting the word "health" to the word "fitness". The English version can be amended as well as the French. I do not see why we should always try to amend the French version when the English can be amended when the meaning, is not the same. Besides, the hon. member who just spoke knows very well that when we talk about a man in good health, we mean a man who is not sick in bed, who does not suffer from arthritis, who has no heart condition; that is what is meant by health.

An hon. Member: He does not suffer from rheumatism.

Mr. Denis: "Fitness" simply means that a man is in good physical condition. But if the

Minister of National Health and Welfare has something else in mind and wants mental health to be included as well as physical fitness, he can express it as well in English as in French. Therefore, let him translate the French word "santé" by "health" in the English version. What is sauce for the goose is sauce for the gander.

(Text):

Mr. Pickersgill: I think there is a great deal in what the hon. member for St. Denis has just said. I say there is some doubt as to just what the word "fitness" means. Surely, the whole problem would be solved if we changed the English title to "an act to encourage physical fitness". There would be no question about translating that by "santé physique". We all remember the old jokes by Stephen Leacock on the word "fitness". He asked, fitness for what? Fitness was, of course, really a slang expression up until a generation ago and it is only recently that it has become an accepted English word. I do think that perhaps we might resolve this difficulty if we were to put the adjective in both titles and it would make it clearer that we are not attempting to invade the realm of the spirit, which is perhaps within the provincial jurisdiction, if we can judge by some of the resolutions—

Mr. Drysdale: Are you opposed to mental fitness?

Mr. Pickersgill: No, I am not opposed to mental fitness. I think even this house could profit from it. I do not know whether, in view of the fact that although the government promised this before the last election, the Minister of National Health and Welfare has never been willing to pay the federal share of the cost of people in mental hospitals, can be taken as an indication that they regard mental fitness as a provincial matter.

It seems to me that if we put the words "physical fitness" in the English title, they could be translated by the words "santé physique" and we would come as nearly as we ever can to "le même sens dans les deux langues".

Mr. Monteith (Perth): I wonder if I might mention that the present act under which we are operating, that is under which the federal government does not participate in the cost of hospitalization for mental illness, was originally drawn up by the previous administration.

I should like to point out that the word "physical" in the English text, at any rate, limits the concept of all-around fitness. We are interested in the "whole person" and in encouraging, through participation in amateur sports and fitness activities, the emotional as well as the physical well-being of the participants. If we do not have the word "physical" it will be more in line with current views on this subject which have been developing over the past several years. As a matter of fact, the previous national physical fitness council had asked the government to delete the word "physical" in the previous legislation.

It seemed to me, from the explanation that the Minister of Transport gave, that the word "health" as translated by "santé" in the French language—I can only apologize for my inability to interpret the exact sense of it—that it might be well to leave it as it is.

Mr. Denis: The word "santé" in French has another meaning. When you take a drink, it is—

(Translation):

"A la santé!" That may be ambiguous, apart from the fact that if you abuse physical exercise, you are liable to mental illness. I know of boxers who, at a certain time, became mentally ill.

So it might be a good idea to clarify the situation in order to find out exactly whether you mean physical health or mental health. If you mean both, then say "physical and mental health".

(Text):

Mr. Drysdale: I should like to make one comment. Under clause 12 of the bill, in both English and French, the word "fitness" which is translated by the word "santé" is defined under the regulations. I quote:

(Translation):

The governor in council may make regulations (a) defining for the purposes of this act the expressions "fitness" and "amateur sport";

(Text):

I feel this indicates quite clearly that under this specific measure the word "santé" will be defined by the governor in council under the regulations. I feel that this is purely a question of semantics in which the hon. member for St. Denis is engaged and the point is covered quite clearly by clause 12.

Mr. Denis: The hon. member is going too far if he means he wants to correct the French language. I would say, as the Union Nationale does, you are interfering with autonomy.

Mr. Balcer: Actually, I have a lot of respect for the great knowledge of my colleague, the hon. member for St. Denis. However, I must admit that I think he has limitations, just as I have, in so far as being the grande linguiste is concerned. After meeting with the translators and hearing the various explanations as to why they picked the word "santé" in this context, I really think that the spirit of the bill and the intention of

the legislators will be extremely well covered by the word "santé" in the French.

(Translation):

Actually, the idea in this legislation is to promote good health through sports.

I therefore think the expression is rightly used. I think that the word "santé" is a very good translation for the word "fitness", and I am asking this house to accept the version suggested by the government.

Mr. Denis: This will be another badly written legislation from the government.

The Deputy Chairman: It is moved by Mr. Balcer:

That Bill C-131 be amended by eliminating subclause 4 of clause 7 and replacing it by the following:

(4.) Of the members of the Council, at least one shall be appointed from each province.

(Text):

Mr. Pickersgill: Just before the question is put—and I am going to support the amendment—I think the committee will feel a debt of gratitude to the hon. member for Labelle, one of the freshman members of the house, who spotted this mistake and who saved us all from making a regrettable error. Perhaps it is not a tremendously important one, but what is behind it is tremendously important. I refer to the complete equality of the two official languages and the importance of having our texts properly expressed in both.

Amendment agreed to.

Clause as amended agreed to.

Title agreed to.

Bill reported.

The Acting Speaker (Mr. Chown): When shall the said bill be read a third time? By leave, now?

Some hon. Members: Now.

The Acting Speaker (Mr. Chown): Agreed.

Mr. Pickersgill: What about the hon. member for St. Boniface (Mr. Regnier)?

Mr. Monteith (Perth) moved the third reading of the bill.

Motion agreed to and bill read the third time and passed.

CANADIAN NATIONAL RAILWAYS

CONSTRUCTION OF LINE TO GREAT SLAVE LAKE

Hon. Leon Balcer (Minister of Transport) moved that the house go into committee to consider Bill No. C-126, respecting the construction of a line of railway in the province of Alberta and in the Northwest Territories by Canadian National Railway Company from a point at or near Grimshaw, in the province of Alberta, in a northerly direction to Great Slave lake, in the Northwest Territories.

Motion agreed to and the house went into committee, Mr. Chown in the chair.

On clause 1—*Construction and completion.*

Mr. Chevrier: Has the minister a statement to make arising out of the report from the committee?

Mr. Balcer: No, Mr. Chairman. Actually there was quite an extended discussion of this project at the resolution stage and then on second reading. Hon. members have had the opportunity to ask questions of the experts who appeared as witnesses before the standing committee on railways, canals and telegraph lines. I think the whole matter has been dealt with in a broad way. The agreement has been tabled. It was in the hands of all the members of the standing committee. Everyone has had the opportunity to ask any questions he wished to ask. I simply again recommend to the committee this bill which means so much in the development of the Canadian north and which makes provision for a great development undertaking. I do not propose at the present time to make any more remarks on it.

Mr. Chevrier: I do not know that I can agree with everything the minister has said. It is true that there was a meeting of the committee and it is true the committee was furnished with the agreement. The committee will recall that we on this side of the chamber gave our approval to the principle of this bill and that repeatedly we asked for production of the agreement which up until now has not been signed.

The agreement was produced shortly before the bell started to ring for 11 o'clock during the committee proceedings. I note that the minister shakes his head. Perhaps I could be a little bit more accurate. It is a fact that the agreement was circulated in the early part of the committee proceedings but we did not get to an examination of it until shortly before the bell rang for the 11 o'clock sitting of the house.

I do not wish to dwell on that agreement at the present time as there are some questions which come to my mind arising out of the agreement and which perhaps the minister would care to answer. However, before I put them, I think I should say this in all fairness to those who were members of that committee as well as to those who were not members of it. Here was a most important agreement that took many months to negotiate, perhaps a couple of years; I do not know how long it took. It is an extremely complicated agreement, one which a Philadelphia lawyer would have a great deal of trouble in understanding.

Mr. Baldwin: Quite simple.

Mr. Chevrier: We are given this agreement which expert lawyers took many months to prepare and we are told: "There is the agreement; if you have any comment to make or any suggestions to make, we are open to suggestions". My hon. friend has interrupted me by saying "Quite simple". I wish I had his legal ability. May I say that already I have read the agreement twice and that I certainly do not find it either simple or uncomplicated. However, if I understand correctly both the evidence and the agreement, it appears that the C.N.R. will move the concentrates at a rate which will permit them to pay for the maintenance and operation of the line. Any additional traffic will be surplus and that will go in reduction of the C.N.R. deficit. Pine Point will pay $7.75 per ton in accordance with the terms of the agreement for the movement of the ore. Pine Point will also pay a subsidy in accordance with clause 6.

Mr. Baldwin: Clause 5.

Mr. Chevrier: Yes, that is correct; in accordance with clause 5. Cominco—that is Consolidated Mining and Smelting Company—will put Pine Point in funds for the construction of the mine and the C.P.R. together with the C.N.R. will get a share of the traffic which will move. The question which comes to my mind now is this. What will the taxpayer get for his $86 million? What provision is being made for (1) the amortization of the capital; (2) the servicing of the capital; and (3) the interest during construction? Those are the questions to which I should like to have answers at this time.

Mr. Baldwin: Mr. Chairman,—

Mr. Chevrier: I have not finished what I intended to say, Mr. Chairman. If it is the intention of the hon. member to interrupt, I will continue. On the other hand, I was trying to be helpful by asking the minister if he would reply to those questions first. I have other remarks to make.

Mr. Baldwin: I will wait until the hon. member has exhausted his possibilities.

Mr. Chevrier: Thank you.

Mr. Balcer: Once again I want to remind the committee and the hon. member for Laurier that this is the first time an agreement of this type has ever been put in the hands of the committee at this stage. These agreements have always been kept confidential. It is the first time that the government has ever placed such an agreement in the hands of the committee. The hon. member says that the agreement is not signed. I never said the agreement was signed. I said that in relation to this agreement I have received a letter from Pine Point Mines Limited, from Consolidated Mining and Smelting Company and from the C.N.R. stating that they are ready to sign such agreement if the bill is approved by the house. This is the situation at the present time. There is no mystery about that; there is no secrecy. It is an open book. This agreement was placed in the hands of every hon. member of the committee. The hon. member for Laurier had time to read it twice.

As I said before the standing committee, the Department of Justice is still reviewing the agreement to check whether there are any legal errors in it, or anything of that kind, which should be corrected. At that time I also invited hon. members of the committee to make suggestions on this agreement. However, I must remind the committee that this agreement is actually requested in clause 6 of the bill, which makes it a condition. The government is ready to build a railway. We set forth in clause 6 some very clear conditions that have to be met by Pine Point Mines, Cominco and the C.N.R. before the bill before the committee comes into force and before the railway is built.

The hon. member also asked how this railway is going to be financed. I have stated, and he has recognized, that as far as the operation and the maintenance of the railway is concerned, the C.N.R. has a guarantee that what is going to be paid by the company for the moving of its concentrates will meet the maintenance and the operation of this line. Also, the company is giving a guarantee of 215,000 tons of traffic for 10 years. This will cover the operation and the maintenance of the line.

Therefore this railway will not be a source of deficit for the C.N.R. It will become an integral part of the C.N.R. and in addition, Canadian National Railways will have this great advantage of being the sole mover of these concentrates on the run between Edmonton and Calgary and will share half and half from Grimshaw to Edmonton on the Northern Alberta Railways, which is jointly owned by the C.N.R. and C.P.R.

As far as the financing of the capital for the building of this line is concerned, this is going to be paid out of an item in the estimates of the Department of Transport. These estimates come before the committee every year. Part of the capital will be reimbursed out of payments that are mentioned in schedule B of the agreement and also in subclause (a) of clause 6. These payments to Her Majesty can reach $20 million. This is part of the cost on the part of Pine Point Mines as its share in the building of this great undertaking of a railway in the north.

Of course, we could have built that railroad simply for the development of the north. It is a rather long railway; it is a huge railway, but we have such confidence in the north of Canada, with all its mineral richness and also, in that particular area, the tremendous reserves of timber and agricultural products, that I think the government would have been justified in building the railway. However, we are fortunate enough that there are proven reserves of lead and zinc which are ready to be developed, which development is going to be undertaken by Pine Point Mines, a subsidiary of Cominco. I think we got a very good deal from this new mine both for the government and for Canadian National Railways, and I recommend it to the committee.

Mr. Chevrier: Mr. Chairman, the minister has not dealt with the question which I put to him. He did give the method and the manner in which the Department of Transport will handle this money, by setting aside an estimate. But my question to the minister was this: what will the taxpayer get for the maximum amount of $86 million that is being invested by the government? I think the committee is entitled to know that.

Then, what provision is being made for servicing that capital? What provision is being made for interest during construction, because this railway will not be completed until 1966? Therefore as the railway is constructed large sums of money will have to be provided. Whether it will be $25 million at the end of the first year and $20 million at the end of the second year and so on, I do not know; but the government does not manufacture that money. The government will have to borrow it and will have to pay interest on it.

I think the committee is entitled to know, (1) what will the taxpayer get for this capital amount of money that is being invested in the line? Then (2), what provision is being made for servicing the capital; and (3), what provision is being made for the interest during construction?

Mr. Balcer: Mr. Chairman, the hon. member asks, what is the taxpayer going to get for this investment? First of all, this is going to be a brand new railway which will become an integral part of the C.N.R., and as such any profit on that line will serve to reduce the deficit of the C.N.R., which is a crown-owned agency and for which the taxpayers of Canada have to put up the money to cover the deficit each year.

With regard to how the money will be paid, I think clause 5 is quite clear. It says:

> The subsidy hereby authorized shall be paid to the company out of the consolidated revenue fund by the payment from time to time, at the direction of the governor in council upon the report of the Minister of Transport as to the mileage of railway line constructed or to be constructed, of such amounts, in such manner and subject to such conditions, if any, as the governor in council deems expedient.

I think it is quite clear here that the governor in council will decide in what manner and subject to what conditions these payments will be made, how the debt will be serviced and how the interest will be met. It will be all done by order in council, as is set forth in clause 5.

Mr. Chevrier: Then from what the minister has said, am I right in assuming that all the taxpayer can expect to get back is the amount mentioned in clause 6(a), namely, a maximum of $20 million.

Mr. Baldwin: Mr. Chairman, I do not want to interfere—

Mr. Chevrier: I should like to have an answer if I may.

The Deputy Chairman: I did not hear an answer from the minister to the last question asked by the hon. member for Laurier. I saw him nod his head.

Mr. Baldwin: The hon. member for Laurier asked a question. It was not a question seeking specific information lying exclusively within the knowledge of the Minister of Transport. It was a question which, I think, any member of this house with a little reasonable understanding of what is involved should be able to answer, and I propose to answer it.

The question was: what does the taxpayer get. It seems to me the grand old man of the Liberal party Sir Wilfrid Laurier who said "the twentieth century belongs to Canada" would turn in his grave if he heard these trifling and petulant quibblings on a question of this kind. Here is a railway which is going to open up a brand new empire and before we get through I propose to submit very briefly, perhaps later on in the proceedings, some of the statements which appear in the record of the Manning royal commission concerning the assets of the area which will be contributing to this line of railway. As a matter of fact, I think this will probably be one of the last great railways ever built on this continent.

The taxpayer is going to get (a) a line of railway built to the Pine Point mine which is at this time of sufficient importance to justify the company in spending a total of almost $40 million at Pine Point itself and at Trail, in addition to the large and substantial sums which will be contributed by the others concerned. The taxpayer will receive (b) the benefits which will naturally arise from the bringing into production of an area lying from 40 miles north of Grimshaw to Hay River with

tremendous resources in agriculture, timber, fishing, natural gas and petroleum. This is not a speculative proposition. These things have been, to some extent, found, and they have been the subject already of some development. They have waited for one thing only —the construction of this railway. The province of Alberta has stated that it will not open up new townships or land in this particular area unless and until some provision for transportation is made. This was the statement made to the Manning royal commission on behalf of the Alberta government, and the same statement has been made to me by officials of that government charged with the responsibility of the settlement of this area. When this railroad is built, and as it progresses, there is no doubt that thousands of new townships will be established and land opened up for cultivation. The same applies to timber. Surely, any national development on this scale which brings into production resources of this order is bound to have the effect of reducing the capital cost of this railway.

Evidence was given before the standing committee about which the hon. gentleman spoke that both the railway company and the mining company had made certain calculations as a result of which they felt that the rates which are to be charged, and which are referred to in the schedules to the agreement, should be sufficient to repay the operating and maintenance charges of the railway. Anything else above that is bound to result in a reduction of the capital sum. If some hon. members want it put in dollars and cents, that is what the taxpayer is getting. What is of far more importance are the benefits which will derive from the opening up of this region. Moreover, when this railroad gets to the south shore of Great Slave lake it will make available at substantially reduced prices, goods, commodities and services whose cost, up to the present time, has been at a substantial level. This high cost of goods and services have had the effect of holding back to some extent the expansion of development in the mining area in the Northwest Territories. The minute this railway gets to the port of Hay River hon. members will see an acceleration in the rate of development which will, I think, be of tremendous benefit of the whole country. These are not pipe dreams. I have been up there and talked with these people.

I think that is a fair answer to the hon. member for Laurier. He asked a valid question and I have, I think, given him a reasonable answer.

Mr. Chevrier: Perhaps I might say just a word in connection with what the hon. member for Peace River has said. He has attempted to give an answer covering what is generally done in connection with a developmental railway. We all know what the practice is in connection with such railways. However, he has not given the answer to the questions about the amortization of the capital and the servicing of the debt and the interest during construction. These are substantial matters. I simply say that there are on the record three questions to which I have not received satisfactory answers.

I go on, now to another question. It was stated in the committee that the title to this line would be with the Canadian National Railways although the government would pay for it. My question is: what is being done by the government to protect its interest of between $75 million and $86 million less the subsidy paid by the Pine Point Company, with the C.N.R. in reference to its investment? Here is a sum of between $75 million and $86 million which is to be put into the construction of this line. Have the C.N.R. and the government arrived at an agreement, first, about the capital investment and, second, about the roadbed and all the real estate, the title to which will go to the C.N.R.?

Mr. Balcer: As I said earlier, the government is building the railroad from Grimshaw to Pine Point. The railway is going to become part of the C.N.R. system. It is going to be operated by the Canadian National Railways and it is going to be built by the railway company; it will become, also, the property of the C.N.R. As far as the government is concerned there will be, first of all, this $20 million capital payment by the users of this line. In addition, the taxpayers will get as a return for their contribution a reduction in the C.N.R. deficit. There will be a net contribution to the C.N.R. system, and that contribution will provide for the carrying charges on the capital investment. As I said, this line will become part of the Canadian National Railways system which is a government-owned corporation and as such it will still be the property of the Canadian public and the Canadian taxpayers.

Mr. Chevrier: Mr. Chairman, when the C.N.R. provides a service for the government, the government pays for that service. The estimates of the Department of Transport are replete with items for subsidies representing services which the C.N.R. provides to the government and the people of Canada. The government pays for those services by subsidies under a vote in this house. Now converse action is taking place. What provision has the government made to protect its $75 million to $86 million? From the answer which the minister has given it would appear that the

government has provided no protection but has simply said that if there is a surplus it will be used to reduce the deficit of the C.N.R.

The question that occurs to me is this. Did the officers of the C.N.R. or the Northern Alberta Railways study this project for and on behalf of the government, or did anyone else do so?

Mr. Balcer: At what time?

Mr. Chevrier: Did the C.N.R. make a study of the economics of this project and then recommend it to the government?

Mr. Balcer: Yes, Mr. Chairman. That is all a matter of history. All hon. members of the committee know that both railways were asked if they were interested in building such a line and both said that it was not economically attractive to them. The government had the courage to decide that it was worth building such a railway. That is why the government asked the C.N.R. to build the railway line and operate it. The government will pay for it. The government has enough confidence in the north of Canada and in the future of the nation to be sure it is a good undertaking. By developing this virgin part of our country we are rendering a great service not only to future generations but to the present one.

Mr. Chevrier: The minister has not replied to my question, so I shall restate it. Did the government make a study of the economics of the project or did the C.N.R. make one? That is what I wish to know.

Mr. Balcer: Both did. I mean the government made a study before proposing this measure to the house. In addition to that we asked a royal commission to investigate which of the two routes would be the better one. The majority report indicated the western route would be superior. The government then decided to proceed. We have also asked the C.N.R. to make a land survey of the route and that survey which is very encouraging is progressing rapidly. By December next we will have the results of that survey and the C.N.R. will be able to go ahead with the construction of this important railway.

Mr. Winch: At both the resolution and second reading stages, hon. members of this group supported this measure in principle. It is axiomatic that we will support any proposal which is constructive, which aids in the development of Canada or which results in supplying employment to our people. Although one supports the principle of a bill there is a responsibility on hon. members of the committee to question the grounds upon which the government reaches its conclusions and I am on my feet for that purpose at this moment. I was prompted to rise because of the intriguing statement made by the minister a moment ago when he said the C.P.R. was not interested in constructing this railroad.

The government is interested in developing the north and therefore it asked the C.N.R. if it would construct the line. The government is prepared to pay a subsidy of up to $86 million. Can the minister tell us why the C.P.R. was not interested?

As I understand it, 78 per cent of the Pine Point company is owned by Consolidated Mining and Smelting and over 50 per cent of Consolidated Mining and Smelting is owned by the C.P.R. It would therefore appear that the chief benefit will accrue to the C.P.R.

Mr. Balcer: Nonsense.

Mr. Winch: On what basis is the government prepared to pay the subsidy? What benefits will accrue to the C.P.R?

Mr. Benidickson: It appears as though the railway will be undertaken for the benefit of C.P.R. shareholders.

Mr. Winch: Private enterprise is one thing, but it appears that the taxpayers of Canada are now being asked to subsidize the C.P.R. That is precisely what has happened. Will the minister explain the situation and make clear on what basis the government has decided that this is a correct way to proceed?

I invite the minister to tell us of the analyses made of the ore reserves in this area. I have examined the two volumes of the report of the royal commission on the Great Slave lake railway and have read a number of other reports. I find there is nothing conclusive. Estimates of the reserves range from a few million tons to 20,000 million tons. That is a vast difference. Has the government any factual information?

Is there any indication that it is more feasible in the development of this ore to transport the ore hundreds of miles across northern Canada to Trail than it would be to construct a development point at the site? We are investing the people's money and are entitled to ask the minister on what basis the government reached certain conclusions.

Another logical question is this. Since the subsidy is basically for Pine Point which is controlled by Consolidated Mining and Smelting located at Trail and Kimberley, is one not entitled to ask if all the reserves held by Consolidated Mining and Smelting in the British Columbia area have been used?

An hon. Member: So that is what is eating the hon. gentleman.

Mr. Winch: Are all the reserves of Consolidated Mining and Smelting at Kimberley and Trail under development? Is it true that Consolidated Mining and Smelting has within range of British Columbia a mountain of ore that has not yet been touched on which they hold leases? These are the questions we should have liked to ask in committee when an opportunity was provided to direct such questions to people connected with Consolidated Mining and Smelting, but unfortunately we did not know the committee was meeting. I do not know how it happened but we did not know anything about it until after the meeting was held. Otherwise I can assure the minister we would have been there. I do not want to hold up this measure unduly but I think the minister has a responsibility to give us information as fully as possible with respect to why they reached the decision they did and why we are not going to have full development in the north if we have 20,000 million tons of ore reserves in this one area? Is it going to be shipped because there is not lead and zinc at Trail? Why is it being done by subsidy when the company basically involved in the last analysis is the Canadian Pacific Railway? We are just asking for information. At the same time, we do not want to be misunderstood. We support any constructive recommendation for the development of the northern part of this country.

Mr. Benidickson: You mean you do not support it.

Mr. Chevrier: Is the minister going to comment?

Mr. Browne (Vancouver-Kingsway): Mr. Chairman, I have heard the question posed a couple of times as to what the people are going to get for the $86 million that is going to be invested in this railway. The first thing that comes to my mind is that they are going to get a railway that was promised them by the Liberal party 30 years ago but which the Liberals never quite got around to building. That is the first thing that I can see they are going to get.

From some of the other remarks that have been made I can see that we have the same kind of mentality on the part of some people that there was in this country in the 1870's when the railway to open up western Canada was being proposed. At that time there were many people who did not think it was of any very great importance and wanted to know what the taxpayers were going to get for their money. I think we should consider that this railway is not a railway to open up a mine or to open up any one particular community. It is a railroad to open up the northern part of this country in line with the policy that was outlined by the government,

a policy to which it committed itself and for the carrying out of which it received a mandate from the peeople of this country.

When we look at the matter from a purely dollars and cents point of view, certainly there is nobody in the house who would even be able to estimate what the returns to the country will be when the railroad has opened up that part of the country. We can see some of the benefits that will come about. We can appreciate that there will be an increase in the gross national product as soon as the mine at Pine Point is opened. I do not think there have been many projects started in Canada on such a basis as this one, namely a guarantee that the railroad is not going to lose any money with a private company having guaranteed in writing enough business to underwrite the cost of operation and maintenance of the railroad line. I do not think that the country has ever been in the position before of undertaking such an important development with all the costs being underwritten to this extent.

In addition to the increase in the gross national product that will result, there will, of course, be taxation thereon from which the federal treasury will benefit. I know it was estimated a number of years ago by the commissioner of the Northwest Territories, who presented a brief to the royal commission on Canada's economic prospects, that the business available then would result in an increase of $3½ million in direct taxes payable to the federal treasury by the one mine that at that time contemplated starting operations. Since that time it has become quite apparent that there is going to be a good deal more business. When he made his estimate for the benefit of the royal commission the commissioner pointed out that was the direct financial return from one source and that all the other things involved would also result in the federal treasury receiving increased tax payments.

Then there are the benefits to the 77,000 people who live in the Peace River area. I am sure that the development of agriculture in that area will be of great benefit to this country and cannot be measured in dollars and cents. The bill represents the carrying out of a commitment that has been made by governments to the people in that area over the years, but this is the first government that has had the courage to make a decision and proceed with the opening up of the north. That is just what the government was elected by the people of this country to do.

Mr. Chevrier: Mr. Chairman, there are one or two things to which I thought the hon. member who has just spoken would have

replied but he too went off on a tangent to tell us about the developmental aspect of this railway.

An hon. Member: There have to be tangents.

Mr. Chevrier: It seems that the only way in which the bill is going to be justified is by tangents and not by answers to the questions we have put from time to time. The hon. member for Vancouver-Kingsway stated that the Liberal administration had promised this railway for 30 years but did not build it. However, the present government seems to have been unable to make up its mind whether the eastern or western route should be followed or when the line should be built notwithstanding that Canadian National Railways recommended the western route from Grimshaw as far back as 1954 and again in 1956. Those are the facts. The hon. member states that the government received a mandate from the people of Canada to build this railway. In this form? Under this agreement? I say without hesitation that the Liberal party would never have built this railway under the terms of this agreement.

Some hon. Members: Oh, oh.

Mr. Chevrier: If there was ever a one-sided agreement, it was this one. If high-priced lawyers ever prepared an agreement, it was those who appeared on behalf of three of the parties to this agreement.

Mr. Benidickson: You mean outside the crown.

Mr. Chevrier: Who appeared on behalf of the government? Whom did the government have to protect the interests of the taxpayers? Whom did the government have to protect this tremendous amount of money? I asked the minister during consideration in the railway committee as well as during the proceedings in another committee why there had been an increase in the cost. In 1954 the cost as estimated by Canadian National Railways was $50 million to $55 million. In 1956, two years later, the estimate was the same. What were we told when the matter came up in the committee? The witness, Mr. Purves, presented an estimate of $75 million plus 15 per cent or a total of $86 million. He was asked how they arrived at that estimate and he said that Major Charles made the survey. Did we hear Major Charles? Why was he not called as a witness to indicate how the estimate was arrived at? We were informed that he was on the site. He was not there to tell us how the estimate was made. Neither was there anybody from the engineering department.

It was amazing to me that no one appeared from the engineering department of Canadian National Railways to tell us first of all about the economics of the line and then about the manner in which the estimate was arrived at. We were simply told that the estimate was fixed on the basis of the data that Major Charles had in July of 1961. We do not know what data or additional data Major Charles had so far as the estimate is concerned last Thursday, three months later. It seems to me that the witness should either have given this information himself or, if he was not able to do so, the person who prepared the estimate should have been present.

Then, I ask the minister, is this the way to prepare an estimate? We were told that no borings were taken to substantiate the estimate. Mr. Purves says that borings were being taken when he was up there two weeks ago, but the estimate was not based on any borings. I wonder what the Minister of Public Works would say if an estimate were made of any public works project and the house were asked to vote a sum of money, but there had been no borings made?

Mr. Balcer: That is precisely why we have the survey. You can be sure, Mr. Chairman, that the survey will give us an opportunity to pay exactly the correct amount of money for every mile of railway that will be built; that is all there is to it. There is not a single man in Canada who could estimate, four months in advance, exactly how much per mile the railway is going to cost. We are giving an estimation, and the estimation was made by Major Charles who is considered to be the most experienced officer in any railway company in Canada in so far as this matter is concerned. This gentleman has given us this estimation, and it is upon this estimation that we have based the amount of money shown in the schedules to this bill.

There is no mystery about it.

Mr. Chevrier: Is the minister going to answer my question?

Mr. Balcer: The hon. member for Laurier seems to want to leave the inference that we are throwing money away. The hon. member does not have to worry. There will not be one cent paid over and above the amount of money needed to carry out that undertaking, following the survey which will be completed in December.

Mr. Chevrier: I am worried—

Mr. Baldwin: Mr. Chairman, the hon. member has said—

Mr. Chevrier: Mr. Chairman, I have the floor and I am not going to yield. I yielded to the minister because I thought the minister was going to reply to my question.

The Acting Chairman (Mr. MacEwan): Has the hon. member for Peace River a point of order?

Mr. Baldwin: No, not a point or order but I want to correct what the hon. member said.

Mr. Chevrier: If the hon. member does not have a point of order, then I am not yielding the floor.

Mr. Baldwin: I want to correct a statement made by the hon. member.

Mr. Chevrier: If the point of order is merely the correction of a statement which I have made, then the hon. member can correct it after I have sat down.

The Acting Chairman (Mr. MacEwan): The hon. member for Peace River says he has a point of order, and if so I will hear him on that.

Mr. Baldwin: The hon. member made an inaccurate statement when he said there is nothing in the transcript of evidence given before the standing committee on this point. I should like to quote from page 250 of the minutes of evidence of the committee, as follows:

> Mr. Baldwin: I have a question supplementary to that. Is it not correct that the first opportunity the C.N.R. had to prepare anything close to an estimate was following the preliminary reconnaissance made by Major Charles in 1957? I understand Major Charles went up to make a preliminary reconnaissance of both routes in 1957?
>
> Mr. Purves: I suggest both of these reconnaissances were merely preliminary reconnaissances and nothing else.
>
> Mr. Baldwin: I understand that, and Major Charles, giving testimony before the Manning commission, made certain that point was understood, and in giving evidence based on 1956 and 1957 figures he emphasized this was very preliminary and the cost might be in the neighbourhood of $65 million at that time.
>
> Mr. Purves: That is right.

The Acting Chairman (Mr. MacEwan): I am afraid I cannot agree that the hon. member has raised a point of order. I recognize the hon. member for Laurier.

Mr. Chevrier: I was dealing with the question of the estimate and the minister said in reply that I should not be worried. Well, I am worried and I have every right to be worried as a member of the opposition on behalf of the taxpayers of this country. I am worried because of the form and nature of the contents of the agreement. I asked the minister repeatedly how the estimate was arrived at. The minister said, how could we give an estimate when we have not even made a survey? This has been our point all along. The minister should have brought an estimate here and have had a survey ready before going on with this measure and asking parliament to vote substantial sums of money which might even reach $100 million.

Mr. Balcer: You want to put the thing off for another six months.

Mr. Browne (Vancouver-Kingsway): That is Liberal policy; call it off.

Mr. Chevrier: The point that is being made, sir, is this: Before coming to parliament and asking parliament for this tremendous sum of money there should have been an estimate made based on something; Major Charles should have been told to complete his survey so that parliament would have an idea of the amount of money involved in this project. According to the answer the minister has given me, it looks now as if it might not be $85 million—

Mr. Balcer: It will probably be less.

Mr. Chevrier: I think parliament has a right to know just how and on what basis this estimate has been made; that is the taxpayers' interest and no one seems to have bothered about the interest of the taxpayers.

Here, we have four parties to the agreement. There is the Canadian National Railways which is interested in one thing and one thing alone. This is the policy upon which the railway has operated all along, namely to make sure it will get from the freight rates and from the movement of traffic a financial position that will not be a deficitory one. In this case, the Canadian National Railways, through its officers, has said it will have a small surplus. The minister has added that anything over and above that will go in reduction of the deficit of the Canadian National Railways.

Then, the Pine Point mine comes in, and they certainly come out of this agreement all right. They have to pay in any event to move their concentrates. They will pay $7.75 per ton annually for a period of ten years, and they will also pay a subsidy on account of the capital investment made by the government. But is there any assurance that they will pay the $20 million? Where in the agreement is there any assurance that the full amount of $20 million will be forthcoming from Pine Point?

Mr. Balcer: The bill does not say that, either.

Mr. Chevrier: No, but it is a good thing for the taxpayers to know.

Mr. Balcer: Everybody who reads the bill will know.

Mr. Chevrier: I do not think the bill, in any way, shape or form gives any idea of

the terms of the agreement. Well, I was going on to say that the third party involved is Consolidated Mining and Smelting. They will put up the cash, they will put Pine Point mines in funds. The Canadian Pacific Railway, together with Canadian National Railways, will divided the traffic as between Edmonton to Calgary; Calgary to Tadanac and Tadanac to the B.C. ports.

Mr. Balcer: Just to keep the record straight—

Mr. Chevrier: I am not giving the minister the floor. I gave the minister the right to reply when he interrupted me before, and then another hon. member got the floor. If the minister wants to reply to my questions, I will yield.

Mr. Balcer: All right.

Mr. Chevrier: I put three questions to the minister and he has not replied to them. If the minister wants to interrupt me to answer questions, I will yield. A moment ago I yielded and he proceeded to make a speech; then, somebody else got the floor. I am being interrupted continually. I have no objection to being interrupted when a question is being answered, but thus far there have not been answers to these questions.

I asked the minister, upon what basis did the government proceed before it invested this money. I asked the minister whether Canadian National Railways had produced a report, and he said yes they had, and the government had studied it. Is that not right? Canadian National Railways produced a report and the government, I take it, acted on the report of Canadian National. The minister nods his head. Here you have Canadian National Railways, in this case an interested party, interested in getting a return out of the line, making a recommendation to the government, but where are the government's own advisers in this matter in respect to the taxpayer?

Mr. Balcer: The government was right there.

Mr. Chevrier: Pardon?

Mr. Balcer: The government was a party to this agreement. If my hon. friend will read the agreement he will find that the first party to this agreement is Her Majesty the Queen in the right of Canada as represented by the Minister of Transport. My officers, my economists and my lawyers were representing the government in all the dealings in connection with this agreement and they have successfully obtained all kinds of guarantees, special treatment, special rights and so on. They made this agreement one of the best that could be entered into by the government for the building of a railway and it also protected at the same time the Canadian National Railways. They also obtained from Pine Point mine and Cominco all kinds of agreements for a quantity of concentrate to be shipped every year. It is a tremendous amount, being 215,000 tons for 10 years. I think it is quite a large undertaking. This was obtained by the lawyers of my department representing the government as a party to this agreement. My hon. friend says this is an agreement between three parties, namely Cominco, Pine Point and the C.N.R., that the three of them were interested. Very well, the three of them were interested. However, the government was interested and the government was present at each and every one of these discussions and the government dictated the form of the agreement. At all times the government was there to protect the taxpayers of Canada.

Mr. Benidickson: The government pays the loss.

Mr. Chevrier: I have a great deal of respect, as my hon. friend knows, for the officers of the Department of Transport. No one has more respect for them than I have and I am sure the minister has the same respect because he is in daily contact with them. However, the point that I am making is this. In so far as the government is concerned, it did not get the proper protection for the investments that it should have obtained under the circumstances. The point I am making is that three of the parties to the agreement over and above the government, or over and above the crown, looked after their interests. They made sure that they would be protected, the one by getting a surplus out of the operation of the line if such should be the case, the other by getting the line to bring its ore from Great Slave lake down to a market, with very little expenditure. As the hon. member for Vancouver East put it a moment ago, why did not the Canadian National Railways build this line?

Mr. Baldwin: They are doing so.

Mr. Chevrier: I can tell you why they are not building it out of their own funds. Why did not the Northern Alberta Railways build it, represented by the C.P.R. and C.N.R.? Why did not the C.P.R. build it? No one wanted to build this line because they had looked at the economics of it. If the government wanted to build the line, as it had a perfect right to do and as was promised, in my opinion it should have built it, but on terms different from these. It should have

protected its investment, something which under the circumstances it did not do.

Mr. Balcer: A few minutes ago while the hon. member was speaking and when I tried to correct him for the record, he said that the C.P.R. and the C.N.R. were going to share from Grimshaw to Edmonton and from Edmonton to Calgary and then the C.P.R. would be alone from Tadanac.

Mr. Chevrier: It is the N.A.R.; I was mistaken.

Mr. Balcer: It will be a joint operation from Grimshaw to Edmonton and from Edmonton to Calgary it will be only C.N.R. and the C.P.R. from Calgary to Tadanac. The C.N.R. line between those two points will not get a single ton of traffic.

Mr. Regier: Who said that?

Mr. Balcer: It is in the agreement. My hon. friend says that neither the C.P.R. nor the C.N.R. wanted to go it alone on this undertaking. That is quite true. There is no secret about that matter. These railway companies are facing difficult times and they must run their railways in an economic fashion. It is hard for them to decide to build a railway of this size without government support. The government decided to go ahead for the reasons that have been expressed in such a clear fashion and with such forward looking spirit by the hon. member for Peace River a few moments ago and the hon. member for Vancouver-Kingsway. As to Pine Point mine, of course, it is a subsidiary of Cominco—

Mr. Benidickson: C.P.R.

Mr. Balcer: —and Cominco is also a subsidiary of the C.P.R. But I can tell the committee this. As far as the advantages of the C.P.R. are concerned, they are practically nil compared with what the C.N.R. is going to get out of this line.

Mr. Benidickson: Explain.

Mr. Balcer: I will explain. The C.N.R. is getting 438 miles from Pine Point to Grimshaw. It is going to get half of the Grimshaw to Edmonton traffic, all of the Edmonton to Calgary traffic and all that the C.P.R. will get is from Calgary to Tadanac.

Mr. Benidickson: What are the revenues projected per year?

Mr. Balcer: If my hon. friend will go back in *Hansard* to what was said earlier at previous stages of this legislation he will find the answer to his question. My friend the hon. member for Laurier said that Pine Point was getting some advantages of this and that. Of course, Pine Point will have the opportunity to ship lead and zinc from its mine. However, Pine Point is going to invest $21 million in this mine. I should say that $16 million is going to be spent at Trail by Cominco for an expansion to their smelter. The plant at Pine Point will cost Pine Point mines $21 million. This is an outlay of $37 million which will give work to a number of Canadians. At the Pine Point plant you will have 600 Canadians who are going to be employees there. In Trail there will be 300 more. Also the manufacture of equipment for these two undertakings will require 2,200 man hours. All told the construction of this undertaking means 7,700 man hours. I think it was really worth the effort the government put into the planning of this railway.

To go back to what my friend the hon. member for Laurier said on the estimates, may I say this. Of course, we should like to see the estimates as low as possible. However, we want to be realistic and in the schedule we have put the closest estimate we could have at the time. Since then we have received very encouraging preliminary reports from the survey that is being carried on by the C.N.R. for the government of Canada. These encouraging reports lead us to believe that the construction of the line might be less expensive than we had thought. On the other hand, I do not want to be overly optimistic. That is why we stick to the amount that was estimated by our engineer or rather the C.N.R. engineer, namely Major Charles. They are going to pay $7.75 a ton which means quite a surcharge on the normal rates they would normally pay for traffic on that line. They have also agreed to pay another surcharge, which will vary. It will not be over $20 million but with the present prices of lead and zinc it will mean something over $12,500,000 for the government of Canada. Therefore I think Pine Point Mines are not getting any favoured treatment. They are requesting us to put up a huge amount of money and also to take some risk. The government is taking some risk in this enterprise. I think it is a good risk. Cominco, Pine Point, C.N.R. and C.P.R. are all taking a risk, but it is a good risk.

These people are all Canadians. They are taking a chance on the future of Canada, and I think they are right. There is no special treatment for anyone in this matter. I think it is a very good project and whatever calculated risk we are taking in this matter, I am confident that the future will show the government was right in coming before this house to ask for the money to build such a development railway.

Mr. Creaghan: Mr. Chairman, I have only a few words to say on clause 1 of this bill. First of all, after hearing the debate this

evening it seems obvious to me that two points have been made by the opposition. The first seems to be that the Liberal party is opposed to the development of the north of this country. Second, it is particularly opposed to the expansion of the C.N.R.

I am not going to say anything about the first point but I wish to say a few words about the expansion of the C.N.R. The written agreement has been studied by the officials of the railway, and the railway is apparently in complete agreement with it. The railway wants to expand and this government is giving the C.N.R. every encouragement and, if necessary, financial assistance. If a few more agreements like this had been negotiated during the 22 years of Liberal rule, probably the C.N.R. deficit today would be very small or non-existent.

Mr. Pickersgill: Oh, oh.

Mr. Creaghan: We would probably have no deficit. In addition, we would have a great many more people working for this crown corporation. I do not think it makes much difference whether the C.N.R. floats a bond issue which is guaranteed by the government or whether the government does so itself. The railway is owned by the government; therefore we are going to own the roadbed and any improvements that come therefrom. New jobs will be open to all Canadians not only during the course of construction but during the maintenance and operation of the line.

It would seem to me to be very improper for a bill of this type to be introduced if the line was going to be owned by Canadian Pacific. However, as the line is going to be owned by the C.N.R., and as the C.N.R. is owned by the government, which is the taxpayers, I do not see why we cannot proceed and pass this bill.

Mr. Pickersgill: Mr. Chairman, I am very glad you recognized the hon. member for Westmorland before you recognized me, because he advanced some additional arguments which I think carry us a little further into the Alice-in-Wonderland economics which seem to characterize this bill.

Before I come to that, however, I should like the minister to deal with this point. Much of what I have to say depends upon whether I understood him correctly to say that the C.N.R. would get enough to cover the service on the investment, by which I presume he means a reasonable rate of interest on the $86 million.

The minister is asking the treasury of Canada to invest $86 million, of which we might get back $20 million. At the present prices of lead and zinc, the minister just said we would get back $12½ million. But nobody is going to guarantee those present prices; they would depend on whether the full allowance was mined, and there is no guarantee of that. The company just says it hopes to ship 215,000 tons—

Mr. Balcer: There is a guarantee that there will be 215,000 tons of concentrate every year for 10 years. If there is less than that, the company is going to pay the rate on it just the same. So this guarantee is there.

Mr. Pickersgill: If I misunderstood, I will come to that matter.

Mr. Benidickson: Is the C.N.R. investing anything?

Mr. Pickersgill: No, it is all invested by the government.

Mr. Benidickson: It is invested by the taxpayers.

Mr. Pickersgill: The minister has not answered the question to which I really want an answer. As I read the agreement, the C.N.R. is to get a freight rate of $7.75 a ton, which would be sufficient to cover the cost of operations, which I understand means the running charges—

Mr. Chevrier: Operation and maintenance.

Mr. Pickersgill: —and the cost of maintenance, which I understand means the C.N.R. would keep the line up and would not allow it to depreciate. But that is all I understand by "operation and maintenance". I thought the minister said this rate was also calculated to give them enough to service the $86 million investment. I should like to know whether I am right or wrong about that before I continue.

Mr. Balcer: Mr. Chairman, for the sixth time I am very pleased to say that the taxpayer gets his return through a reduction of the C.N.R. deficit. There will be a net contribution to the C.N.R. system. The net contribution to the C.N.R. system will provide for the carrying charges on the capital investment.

I want to repeat that the advantage to the taxpayer is through a reduction of the C.N.R. deficit. Whenever the C.N.R., which is a crown-owned company, has a deficit the taxpayer is called upon to pay for that deficit. Under the present agreement and the present bill, whatever surplus there is on this line will contribute to the lowering of the C.N.R. deficit and so improve the position of the Canadian taxpayers in regard to that deficit.

Mr. Pickersgill: I must say, Mr. Chairman, that if that is all the minister meant by the service on the investment I am not a bit surprised that no railway company is willing to contemplate building this railway, because as I read this agreement the only hope of

getting anything more than a very tiny surplus over and above operation and maintenance is from some other shippers than Pine Point Mines.

If there were all the other traffic that would justify this proposition economically I do not think any railway would have hesitated to go into it. Therefore one can only assume that the best railway economists in the country have all concluded that this is not the kind of investment they would recommend to any one of the investing public. In other words, what seems to me very clear is that the taxpayers might get back, of the $86 million—there is no assurance that they will—only $20 million. In other words—

Mr. Balcer: They might get more.

Mr. Pickersgill: They might get more, but when you consider what the—

Mr. Balcer: I know you have no confidence in the north of Canada, but we have.

Mr. Pickersgill: I will tell the minister right now that I have no confidence in hot air, whether it comes from Prince Albert or Three Rivers. I have a lot more confidence in hard calculations, and I would be much more impressed if Mr. Crump told me this was a paying proposition than if the present Prime Minister told me that, and, I think most businessmen would too.

Mr. Benidickson: The C.P.R. is not in this.

Mr. Pickersgill: The hon. member for Vancouver-Kingsway talked about the fact that there had been no development of the north until this heaven-sent government appeared in 1957. That is the most unadulterated rubbish, because when my friend the hon. member for Laurier who is sitting beside me was minister of transport he brought measures into this house to build a railway in northern Manitoba which is paying and which goes a long way north. This was a big undertaking. He brought in a bill to build a railway across a good part of northern Quebec.

Mr. Speakman: And is that a paying proposition?

Mr. Pickersgill: Not entirely, but the house was told exactly what it would cost. We were told it was a development railway and that there would be the expectation of certain deficits of a relatively modest character.

Mr. Speakman: Modest? $76 million?

Mr. Pickersgill: If anyone wants to compare the propositions let them put the arithmetic clearly down and not toss about casual figures. Moreover it was during the period when my hon. friend was minister of transport that the Quebec North Shore and Labrador Railway was built. It was true that no taxpayers' money went into the construction of that railway. It was built by private enterprise as a private enterprise, but it was built because we had the kind of government which ran the affairs of this country in such a way that investors had confidence.

Mr. Ricard: You had another government in Quebec also.

Mr. Pickersgill: Yes, and now under the present government of Quebec another railway is being built by private enterprise.

Mr. Ricard: Started by the previous government.

Mr. Benidickson: Formerly there were low rates of interest on the capital.

Mr. Pickersgill: The plain fact is that we have had a tremendous amount of northern development ever since the second world war in all parts of the north and this has been a very good thing. It will be a good thing if we can keep on having it—

An hon. Member: Then let's go.

Mr. Pickersgill: —as long as it is soundly based; as long as there is to be some return commensurate with the effort. As hon. members know, there are a great many people in this house who represent other parts of the country which are underdeveloped, and if the taxpayers in these years in which we have such huge surpluses as the Minister of Finance is reporting year after year—

Mr. Benidickson: Deficits.

Mr. Pickersgill: —if the taxpayer has to spend another $66 million on which the government expects no direct return whatever, there will, naturally, be that much less to spend in other directions. The government does, of course, expect some indirect return but it expects to have none of that capital back and not a cent of interest on that $66 million.

The hon. member for Royal knows that this $66 million would build two thirds of the Chignecto canal. It would more than build the whole of the Gaspe railway which has been talked about since confederation, if the taxpayers of Canada were willing to pay out such a sum with no direct return. There is no doubt there would be many indirect returns from the building of the Gaspe railway, and I believe there would be both direct and indirect returns from the construction of the Chignecto canal. That $66 million would go a long way toward giving Newfoundland a standard gauge railway. It would be sufficient to pave the whole of the trans-Canada highway across Newfoundland. It

would be sufficient to build the Guysborough railway, which has been promised by a good many governments in years past, many times over.

Mr. Keays: May I ask the hon. member a question? Since when has he become interested in the railway in the Gaspe peninsula?

Mr. Pickersgill: All my life I have tried to interest myself in every part of Canada I knew anything about. I must say I have found that taking an interest in parts of the country in which I did not live as a boy seems to have done me no harm.

Mr. Bell (Saint John-Albert): When was the harm done?

Mr. Pickersgill: Well, I think the hon. member for Saint John-Albert can score there. I shall not even attempt to reply. It is such a rare occasion when the hon. gentleman has a chance.

I think we have to look at this thing cold-bloodedly. As I said on the resolution stage, it is only five years since in this chamber the opposition, some of whom are now sitting on the treasury benches, fought tooth and nail against a loan, not a gift, of $80 million—not $86 million but $80 million—at a very good rate of interest with the best possible security, a loan backed by the Tory government of Ontario to build a pipe line across the whole country to boost development and maintain the growth which, up until 1957, we had in this country and which has been sadly lacking ever since. What would the opposition of that day have said if it had been proposed that the treasury should give this $80 million to that company to operate a pipe line without provision for any direct return? Yet this is the proposition which is before us. As the minister has told us, on this $66 million there is to be no direct return and there is no prospect of any ultimate return sufficient to cause any investor to expect any of his capital back.

Mr. Chambers: At least a Canadian company.

Mr. Pickersgill: The C.P.R. is a Canadian company. The hon. gentleman had better look to see who holds the securities and stock of the C.P.R.

Mr. Benidickson: About 35 per cent owned in Canada.

Mr. Pickersgill: As a matter of fact, what are you going to say to any other company which has a lead and zinc mine too far away to be exploited because of transportation difficulties which comes along and says: "To develop our mine, please build us a railway and put in $66 million. We might pay back $20 million and we shall pay a little higher than the usual freight rate for a few years. We shall not absolutely guarantee that $20 million, but if we sell enough zinc and the price is good enough that is what you will get."

We did not know these things on second reading. We asked the minister questions and we got equivocal answers. I did suspect some of these things, but I could hardly believe it possible that a proposition of this kind would seriously be placed before any parliament. The minister says this will probably be the last great railway to be built. I am afraid it will. That is precisely why we are asking these questions. We are doing so because it should not be the last railway to be built. I say this for two reasons. I do not think we should make a firm decision to build this railway until we have better evidence than we have been given up till now that there is going to be a tangible return. I do not say that the railway itself has got to make money and repay interest on the capital investment directly. I do not go that far. But I think that just as was the case in connection with the Chibougamau railway if there is a certain ratio between the cost and what you are getting, that is all right. But I say that when the ratio reaches the proportions it reaches in this proposition it is going to be very hard work for hon. members, no matter to what party they belong, to go into their constituencies—except, perhaps, Peace River—and defend this proposition.

Mr. Baldwin: What about the Northwest Territories and Mackenzie river?

Mr. Pickersgill: My hon. friend refers to Mackenzie river. I suppose that if the minister came along and said he would spend $66 million in my constituency it would be awfully tempting. Even if I could not justify it on national grounds it would be extremely tempting. I can tell the minister that if his colleague, the Minister of Fisheries, or the Minister of Public Works, would spend $1 million in my constituency, doing as much for the fishermen as this railway is apparently going to do for Consolidated Mining and Smelting, those fishermen would have a much better chance of making a living than they have at present.

This is a tremendous amount of capital for the taxpayers of Canada to be investing on the security in a single mine. That is really what the proposal is, that we put $66 million into the Pine Point mine. We receive none of the profits. We might get some carrying charges and we might have some Canadians employed who otherwise would not be employed, at least in the Pine Point mine, but I venture to say that if the minister went

to the best half dozen economists or financiers in Canada and said—I will take the lowest figure; I am trying to be fair about this and completely non-partisan; we will all have to answer for this if a mistake is made—"the Minister of Finance has $66 million which he does not know exactly what to do with; he is thinking of building a railway from Grimshaw to Pine Point; is that the best way in which he could use $66 million to develop Canada and provide employment?" not one who did not have a personal interest would recommend this particular use of that sum of money.

That is the question that faces us at the present time. We are responsible to the Canadian people in the 263 constituencies in this country, not just in one or two. We are spending here money which in one way or another will have to be collected from the taxes of people all across the country. Once we embark on the railway and have it half built we cannot very well stop, although there have been governments that did that sort of thing in the past as many hon. members know full well. As I said, we will not be able to stop but will be required to complete the railway. Before we proceed we really ought to be very sure that this is the best use we can make of $86 million at a time when we are contemplating a deficit in the treasury this year of between $600 and $700 million. This money is not going to grow on trees. The Minister of Finance will have to go out and borrow this sum. As the minister has told us he is not going to receive any interest on it. He may recover some $20 million or some part of that $20 million and he may get in indirect ways an inflow into the treasury but no greater inflow than that which would be received if private investment were involved. This is a tremendous piece of socialism, to put it bluntly; that is what it is. It is also very clearly a tremendous gamble in which the mining company does not stand to lose and in which the C.N.R. has fixed up its statistical position all right, but fixed it up at the expense of the Canadian treasury. This is a gamble in which every contingent risk is taken, not by private investors which are supposed to take risks but by the treasury.

This tremendous amount of money is going to be spent in a great area. Nobody would like to see this done more than I would. Nobody would like to see any development more than I would. I do not think any hon. member feels any differently about it. However, we are trustees and this is not our money we are using. This money is to be collected from the fishermen on the Atlantic coast, from the farmers across the nation, from the workers in our cities—

[Mr. Pickersgill.]

Mr. Horner (Acadia): From the way the hon. member has been talking lately I did not know he realized that there were farmers.

Mr. Pickersgill: Well, Mr. Chairman, I probably lived on a farm just as long as the hon. member did because I am about twice his age.

An hon. Member: And have half his wisdom.

Mr. Chambers: It is time the hon. gentleman got the hay out of his hair.

Mr. Pickersgill: To my way of thinking we need a great deal more justification of an investment of this character than we have in a vision or a belief—

Mr. Horner (Acadia): The hon. member did not even have enough vision to accept the proposal for the Saskatchewan dam.

Mr. Pickersgill: That has very little to do with the subject under discussion, but the hon. member, of course, is quite right in saying that many people shared the same concern about the Saskatchewan dam. I do not ever remember meeting anyone who did not think the Saskatchewan dam would be a wonderful thing and I think it will be, but—

Mr. Drysdale: Your party did not give a dam.

Mr. Pickersgill: An hon. member said that our party did not give a "dam". That is quite true in more senses than one. We took the view when we were in office that we were the trustees of the treasury of Canada, that it was our duty to try to look after the taxpayers' money with the same prudence we would employ in looking after our own money. No doubt part of the reason the annual expenditures of this country have increased by over $1 billion in four years is that we have successors who have not taken the same view of the taxpayers' money.

Mr. Horner (Acadia): You have to spend money in order to earn money. If the hon. member had ever been a farmer in any real sense he would realize that.

Mr. Pickersgill: Most farmers I used to know in the days when I knew something about farms were very concerned about saving their dollars when they had any to save, which was not always the case.

Mr. Benidickson: They do not want the government to spend their dollars.

Mr. Pickersgill: I do not wish to be diverted and I hope to come back to my point. It seems to me that everyone is agreed on this matter in principle but we also have this difficult proposition to decide, whether or not there is going to be a national return for a

minimum of $66 million and what appears to be a maximum of $86 million of the taxpayers' money on which there is to be no interest paid and in respect of which, except for the difference between $66 and $86 million, no part of it is ever to be paid back.

Mr. Baldwin: Mr. Chairman, I should like to make a few brief comments. The hon. member for Bonavista-Twillingate commenced his argument by saying that he was making certain assumptions. Let me say that he has argued his assumptions very ably but his assumptions were all wrong.

The hon. member, as have other hon. members, proceeded on the assumption that this is a railway solely for the purpose of opening up a mine. I propose to refute that argument in specific detail.

In 1929 the Liberal party first raised the question of this railway to Great Slave lake. The Hon. Charles Dunning, then minister of railways, said: "I shall live to see this railway completed to Great Slave lake before I die." The Liberals placed in the statute relating to the Northern Alberta Railways a clause giving permission for this railway to be built.

If the railway had been built at the time it should have been built it would have cost far less than it will now cost. The hon. member for Laurier mentioned the figure of $50 million. I venture to suggest that if the railway had been built right after the war as it should have been it would probably have cost less than $40 million. If it had been built then there might well now be half a million people in that part of the country. The Northwest Territories could have developed to a stage that would have caused a tremendous expansion in our gross national product. There lies the fault of the previous administration. I am sorry that hon. members of the opposition have shut their ears and have refused to listen to the pearls of parliamentary wisdom which the minister has cast before them. I have some regard for the Liberal party, but the speech that the hon. member for Bonavista-Twillingate has just made will go far to cause the few remaining members of his party now crouching in fox holes in the northern part of this country to burrow even deeper.

I was in Yellowknife a short time ago. For the last few years that part of the country has been pausing in its development. It has been standing still simply because there is a stage in the opening up of an area when the cost of the necessary goods, commodities and services laid down becomes too great to justify development. This is something that the hon. member and his party might well have dealt with if they had done between 1948 and 1952 or 1953 what we are now doing.

I should like to deal very briefly with a remark made by the hon. member for Vancouver East. He cannot have been listening too well to his leader who has been criticizing the government for attempting to do bad things to the crown corporations. I was amazed to hear the hon. member advocate construction of this railway by the C.P.R. rather than the C.N.R. There is a reason for construction by the C.N.R. When Northern Alberta Railways was created in 1929 the people of the north country were bitterly opposed to it. They requested and petitioned that this 1,000-mile railway stretching into the northern regions of British Columbia and Alberta should be operated by Canadian National Railways because they knew that a period of development would be required which might well be attended to and looked after much better by the national railway company with respect to which the government might be able to exert some measure of persuasion.

In my opinion the people of the northern part of Canada are much happier that this new railway is going to be built by the C.N.R. I think this is their desire. I have been in touch with them and I know what they are thinking and saying. This decision will meet with their approval. There is a division of freight haulage between the two railway companies with which the minister dealt. For approximately two thirds of the distance over which the ore from Pine Point will be carried to its destination it will be transported on the railway lines of the national system while for the remaining one-third transportation will be over C.P.R. lines.

The hon. member for Vancouver East suggested the construction of a smelter. I spoke about that the other day. I should like to seee a smelter built at this time but in my opinion the economics of the situation do not justify that now. The situation in Trail at this time is that the economic operation of the smelter can only be carried on provided some 200,000 to 250,000 tons of lead and zinc concentrates are made available within the next two or three years. If that is not done, the operation will not continue to be economic. People will be laid off and it will be necessary for the company to go outside of Canada and purchase custom concentrates in order to maintain operations at a high economic level. That is not a major reason, of course, but it is a reason which the house must take into consideration, the maintenance of high employment so far as this operation is concerned.

Canadian National Railways

There is another point which I think hon. members of the opposition who have spoken have forgotten. I refer to the revenue that will accrue to the railway company not from this line itself, which we can call the incremental increase, but the revenue which will accrue to them on their main lines. A substantial amount of money will accrue to Canadian National Railways from the ore it will carry from Grimshaw to Calgary. Substantial revenue will also accrue to Canadian National Railways from the supplies it will transport to Pine Point. Substantial revenue will accrue to Canadian National Railways from the large amount of lumber it will haul from the area north of Grimshaw to eastern Canada.

Hon. members of the opposition have suggested there is no basis on which the government could have proceeded. The Manning royal commission sat for almost one year. There are several thousand pages in the transcript of the proceedings. They contain in great detail a full and ample account supported by the best witnesses who could be obtained and by briefs submitted by hard-headed business people from Vancouver, Edmonton, Montreal and the northern part of the country. The evidence all went to the root of the issue and indicated that in addition to the minerals which would be transported from Pine Point there would be other sources of revenue.

One of the commissioners, Mr. John Anderson-Thomson, is a hard headed Scotsman who holds degrees as an engineer and as a surveyor. He has spent 25 to 30 years in the northern part of Canada and knows the country like the palm of his own hand. I had the privilege of appearing before the commission for almost five months and I heard the evidence submitted. The report is contained in a volume which is available to all hon. members and I am surprised that more of them have not read it. As found on page 83, Mr. Anderson-Thomson is dealing with agriculture and has this to say:

> If half the potential arable land was developed together with more intensive cultivation of existing farms, tonnage to the railway would increase from 50,000 tons to 200,000 tons annually. This tonnage would include the incoming traffic. It would be reasonable to assume a subsidy on export grain to bring the rate up to 50 cents per 100 pounds giving a gross revenue to the C.P.R. and C.N.R. of $2 million per annum.

On page 86 of the report the same commissioner gives an estimate with regard to lumber. The estimate is based on statements made by the Alberta department of forestry which carries on a scientific inventory of the forest resources of this area. He indicates that if the total potential of the annual allowable cut is developed, and I do not anticipate that this will happen at once, of course, there will be a total yearly revenue to the two railway companies of $3,600,000.

These are not the submissions of people who are biased. They are the findings of a responsible commissioner made after listening to the evidence brought before him and other members of the commission. They cannot be ignored. I know that the government has had reference to the evidence which was presented. I might say that a brief was presented to the commission by the commissioner of the Northwest Territories and a brief was also presented by Northern Alberta Railways on behalf of both the railway companies. These people knew what was involved. As a result of all these briefs and representations, here are the findings. I suggest that hon. members of the opposition take the time to read this report because in it they will find answers to all their questions.

Mr. Regier: Mr. Chairman, I wish to make only a few brief remarks on this matter. However, I was amazed to hear the hon. member for Westmorland say that the Liberals had always been opposed to the expansion of the Canadian National. All hon. members know I am not a supporter of the Liberal party. However, I have been in this house long enough to have heard on innumerable occasions when the Conservatives were in opposition and also when the Conservatives were in office, the Conservatives being the great supporters of the Canadian Pacific Railway. I feel that for any hon. member to say that the Liberals have been opposed to the expansion of the Canadian National is misrepresenting history in every sense.

Now, this particular extension of the Canadian National has the support of this group, Mr. Chairman. I do not want to cause any doubt about that; we support the bill now before us. However, we support it basically because there are tens of thousands of people living in the area that is going to be served by this extension of the railway, a number of whom have been living there for 40, 50 or 60 years. They moved into this territory on the distinct understanding that railway was going to be built to serve their needs. It is for this reason we support the bill now before us. We do not support it because of the needs of the mining industries located in the southern part of British Columbia and owned by the Canadian Pacific. We support it because of the farmers and the owners of lumbering industries in the region involved who are going to derive great benefit as a result of this extension of the railroad into northern Canada.

We are very suspicious, however, as to the reason the government has decided, at this particular time, to build this extension of the

Canadian railway system, from Grimshaw to Pine Point. We would immediately agree that a railway line ought to be built from Grimshaw to Fort Vermilion, but we fail to understand why it has to be built all the way up to Pine Point. If it is going to be a profitable undertaking, then I feel the Canadian Pacific would have decided to build this railroad. However, because the undertaking is of doubtful value, the taxpayers of Canada are being asked to build it.

I agree that the taxpayers of Canada ought to build it in so far as it is going to serve the settlers and the industries along the way. However, I do not for one moment believe that the taxpayers ought to be asked to subsidize the mining industries located down in Trail, British Columbia. There is no guarantee that this railway is going to operate at a profit. I have no particular quarrel with that aspect, if this railroad is going to meet our commitment to the settlers living in the Peace River area of Alberta. I believe it is up to the taxpayers to build a railroad to service the agricultural and lumbering interests in the area. However, if the extension up to Pine Point involves this railroad in a risk, then I feel that those who stand to benefit ought to run the risk, and that the Canadian Pacific ought to build this line.

We are going to support this bill. We are happy that the government has decided on the western route as opposed to the eastern. The construction of the eastern route might have pleased the people of Saskatchewan and of northeastern Alberta, but would have been much less satisfactory to the majority of the people who have an interest in this extension of our railways system. I say once again that in so far as this railroad extension is going to serve the interest of agriculture and lumbering we feel that in view of the promises that have been made over the past 40 or 50 years, the Canadian people owe it to these settlers to build this line. However, when it comes to building the line as far as Pine Point in order to deliver ores, we have severe reservations.

We feel that once again the government, this Conservative government, is being the willing stooge of the Canadian Pacific Railway. It is using the taxpayers' money in the hope of cashing in on the good will of the farmers and the lumbering interests. Over the years we have heard our Prime Minister, when he was in opposition, plead the cause of the Canadian Pacific until his heart really bled. We have seen the decisions rendered in relation to T.C.A. and C.P.A., and we have seen innumerable other respects in which this government has been a staunch defender of the Canadian Pacific. Once again, we have reason to suspect that it is not really the lumbermen of northwestern Alberta, it is not really the farmers of northwestern Alberta, about whom this government is concerned, but it is the interests of the Canadian Pacific Railway. Even the Canadian Pacific seems to be in doubt about the economics of transporting ores from Great Slave lake down to Trail because that railway is unwilling to run the risk involved in constructing the line. The taxpayers of Canada, therefore, are being asked to be the goats.

Nevertheless, Mr. Chairman, in the interests of the farmers and those engaged in lumbering in northwestern Alberta, we are going to be very happy to support this bill with the reservation that we feel once more this government has bled its heart out for the welfare of the Canadian Pacific as opposed to the public interests.

Mr. Drysdale: I just want to speak very briefly on this matter, Mr. Chairman. First of all, I am particularly concerned about the narrowness of the viewpoint of those hon. members of the opposition who have spoken tonight. In so far as the interests of the Canadian people in general are concerned, I should like to draw to your attention the first paragraph of Bill No. C-126 which has apparently escaped the attention of hon. members.

It states:

> In order to establish transportation services to and from mining properties in the area of Great Slave lake, in the Northwest Territories, and otherwise to assist in the development of northern Canada, the governor in council may provide for the construction—

I emphasize that line, "and otherwise to assist in the development of northern Canada".

Again in the draft agreement which has been presented to the committee and in the preamble speaking about the development of the railway they say: for the purpose of providing railway service for the development of the northern region of Canada. Again, to emphasize and reiterate, as it appears that is the only way in which to get the point over to members of the opposition, I should like to refer to the minister's statement as found at page 8504 of *Hansard* of September 18. In summing up the advantages of this particular railway he said this:

> In other words, the proposed railway would be somewhat different from most branch lines constructed in recent years which were designed to service one mine or a group of mines. Its purpose, in fact, is to open up a whole new region.
>
> The Great Slave lake railway will therefore be for the general development of the north.

The reason I wish to draw this matter to the attention of the committee is the fact that, coming as I do from British Columbia, I can say that we also share in the Peace River

block a block that has a population of some 70,000 people. We are also very fortunate in having the Pacific Great Eastern railway which connects Vancouver with the Peace River area up to Fort St. John. I think that it is the first stage of the development of further expansion of the north by converting by present methods a vision into a reality. I feel that members of the opposition have ignored the fact that it is approximately 40 miles or 50 miles from Fort St. John to Grimshaw, or in other words, the connecting up of the Pacific Great Eastern Railway with the Great Slave lake railway.

I bring this matter to the attention of the committee for this reason. If we take the average cost, which is approximately $171,000 per mile of development, I think that at a cost of well under $1 million, this connection could be made with the Pacific Great Eastern railway which taps the lower Vancouver area or the lower Vancouver mainland, an area with a population of approximately 1 million. I think the Pacific Great Eastern itself has shown its success as I believe the completion of the P.G.E. developed the lumber business to a point where it was ten times what it had been before the P.G.E. was completed to the north.

I mention this matter because it has not been drawn to the attention of the committee. We have had briefs during the course of this year and submissions from the province of British Columbia, the British Columbia and Yukon chamber of mines, the city of Dawson Creek, the north Vancouver board of trade and the Vancouver board of trade. They have shown their tangible interest in the development of that great area. I think this is one of the factors that must be considered for by developing this railway to the north and eventually looking towards the future expansion of the P.G.E., we are also helping the development of British Columbia as well as Alberta. I feel that members of the committee should support this extremely important bill, taking the long range viewpoint.

Mr. Regier: Before he takes his seat I wonder whether the hon. member would allow me to ask him a question?

Mr. Drysdale: Certainly.

Mr. Regier: Is he aware of the fact that the British Columbia government has refused to connect the P.G.E. to this proposed extension? It is a matter, I believe, of less than 100 miles. Yet it consistently refuses to bridge the gap as it were in order to enable the province of British Columbia to get any benefits at all out of this development.

[Mr. Drysdale.]

Mr. Drysdale: I thank the hon. member for the question but perhaps I should put it in proper perspective. It is true that there is opposition from the province of British Columbia to going across the border because of certain difficulties coming under the Railway Act. However, the province of British Columbia and the premier are quite anxious to have it connected up. I am looking forward to a time in the future—and I hope not too far in the future—when there can be a further connection from Grimshaw to Fort St. John, whether it is accomplished by the C.N.R. or whether under some company is brought up to the province of British Columbia and then the connection will be provided by British Columbia. From the way in which the hon. member has stated the matter I think he is angry in a sense but there is this difficulty of coming under the board of transport commissioners as far as the Pacific Great Eastern is concerned. I am sure that my good friend the premier of British Columbia would be very anxious to have a connection from Grimshaw to Fort St. John.

Mr. Matheson: In speaking briefly to Bill No. C-126, I would point out the difficulty of some of us sitting on this side of the chamber in that we do not have confidence in the economic judgment of this government; nor do we have any reason to believe that this project, in the form in which it is presented to the committee tonight, is the result of any economic analysis or contract in any way having in mind the general interest of Canada.

In reply to interrogation the minister has answered that certain inquiries and investigations were made by governmental experts. If he made that statement, I know that would be so. On the other hand, we are mindful of the fact that when the present leader of the government was in opposition and campaigning he made precisely these pronouncements, namely that this project was economic, that all this was desirable, that this was his vision and that this would be one of the things he would do if he presided over the government of Canada. I refer to the Montreal *Star* of April 26, 1957:

> With a declaration that "this is a time for planning for greatness in Canada's future" Mr. Diefenbaker urged that the national policy of Sir John A. Macdonald for developing the West be adapted to changing times and applied to the northland.
>
> "The North with its vast stores of hidden wealth is ready to come into its own" he said. "The wonder and challenge of the North must become our national consciousness. All that is needed is an imaginative policy which will open its doors to Canadian initiative and enterprise.

Almost in the same terms he expressed himself in his opening campaign address

delivered in Massey Hall in Toronto on April 25, 1957, with the same slogan "The New Frontier Policy". This was a policy declared far and wide before it was analysed. It was a slogan before there was any economic or indeed geological study to substantiate or support it.

I take very strong issue with the conclusions from some of the suggested economic studies which have been later put forward by other members of this committee. I put it to you, Mr. Chairman, that in other economic prognostications the right hon. gentleman now holding the position of Prime Minister has been quite wrong; and that the Minister of Finance in the budget address of March 21, 1957, one of the rudest budget addresses in the history of our parliament gave a firm commitment for a balanced budget. We in the course of these last years know how completely imbalanced his own budgets have become.

We recognize the fact that the entire Northwest Territories, whose southerly boundary is approximately 50 miles north of Skagway, Alaska, have a population approximately the same as that of my small home town of Brockville, namely something under 20,000 people. I refer to my own small town paper the *Recorder and Times* which has an article headed "Relief Payments Here Hit Record High Level". I will not read the article in detail. It is to be found in the issue of September 22, 1961.

We all believe in development but we believe also in proportion. If this government is able to present a bill which presents possibilities for future development which are perhaps not entirely economic but which offer some prospects for people on the frontier well and good. Incidentally, I may say that we may not have these people for long because as the hon. lady presiding over the Department of Citizenship and Immigration knows, the present picture seems to indicate that our population is moving out of Canada. I put it to the committee that even if this were not entirely economical we might be quite interested—

Mrs. Fairclough: Mr. Chairman, may I ask the hon. member to what he is referring? I do not remember ever making any such statement.

An hon. Member: He is just talking, as usual.

Mr. Matheson: Mr. Chairman, I do not think I referred to any comments made by the hon. lady. Perhaps she was reading her newspaper and did not hear the earlier part of my remarks.

Mrs. Fairclough: Mr. Chairman, I think the hon. member should explain himself. I have been listening carefully to what he has said—

Mr. Pickersgill: Fort six thousand people left this country in the last year.

Mrs. Fairclough: But I did not say that. The hon. member said that.

Mr. Matheson: With respect, Mr. Chairman, I think the record will bear out that I made no such assertion.

Mr. Ricard: Only insinuation.

Mr. Matheson: I had no intention of making that assertion. It was simply my intention to state that the pattern of movement of people is not to Canada at the present time; it is from Canada. There has been a reversal. At this particular moment in history we come to the situation where we must examine an interesting part of the frontier, with perhaps tremendous possibilities in the future, and with 20,000 people there now. We are asked to put $86 million into this project, or perhaps it will be $125 million, because we have not had any firm estimate in support of the cost. We have no idea what the cost of this railway will be to Canada.

Also, when we examine this agreement, which we have only had an opportunity to examine within the last few hours, we find 17 pages of extremely complicated drafting, with a great deal of mathematics in it. I have been unable to discover where there is any benefit to the chief contracting party, Her Majesty the Queen in right of Canada. The preamble says:

> **Whereas the government desires the construction of a line of railway from a point at or near Grimshaw, Alberta, on the Northern Alberta Railway's line, to Great Slave lake,—**

That is almost in the language of the present Prime Minister as he started his campaign at Massey Hall in 1957. But we see nothing else in the 17 foolscap pages of this document to suggest that Her Majesty the Queen gets a penny out of this project now or in the future. All we hear about is more dream or vision, and we have serious unemployment to cope with in the populous parts of Ontario and Quebec and in the east and in the west. This sounds to me somewhat out of proportion.

Again, when we look at this agreement we find four contracting parties. As other hon. members have mentioned, we have a situation where Her Majesty gets nothing now and nothing in the future, at a time of enormous public deficit, perhaps the largest deficit we will have in Canada's history.

The contracting party, Canadian National Railway Company, will probably not lose very

much. It cannot, surely, gain anything substantial except at our cost. Pine Point Mines Limited is 78 per cent owned by Consolidated Mining and Smelting Company which is 50 per cent owned by C.P.R. which is 30 per cent owned by the Canadian people.

Who is getting this great big give-away? This is one of the things we have to be concerned about. If we look back just a few decades in history we will recall that one of the worries about the development of the west was the extent to which Conservative governments were developing this kind of project by a process of give-away. We believe in development. We think there has to be a development of the northlands. But there has to be a bit of *quid pro quo* in this matter. If there is not any clear benefit coming to Canadian people, I think frankly we have a duty to stand up at this time and say so.

Mr. Balcer: Vote against it.

Mr. Matheson: I ask the minister whether this perhaps should not be reconsidered.

Mr. Chambers: Do your thinking before you start.

Mr. Matheson: Mr. Chairman, does the hon. member for St. Lawrence-St. George have a question?

Mr. Chambers: I just suggested the hon. member should do his thinking before he starts to speak, instead of now.

Mr. Matheson: I thank the hon. member. I think perhaps he should take this into consideration, that he is somewhat at an advantage in this situation because we on this side of the chamber received this 17-page document at approximately five o'clock tonight.

Mr. Drysdale: It was available last Thursday in committee.

Mr. Balcer: It was available last Thursday, and if the hon. member for Leeds had asked the hon. member for Laurier, he would have had a copy.

Mr. Browne (Vancouver-Kingsway): You caught up with things very quickly this time.

Mr. Matheson: I personally wrote the Minister of Transport because I was unable to obtain a copy anywhere else. He told me that a copy would be forthcoming. But it was not forthcoming. I had to borrow a copy at approximately seven o'clock tonight, and I spent all the time available to me reading this document three or four times, and I still do not understand it.

An hon. Member: Hire a lawyer.

[Mr. Matheson.]

Mr. Matheson: I challenge the minister to explain it to this committee. I do not believe he is capable of explaining it because I do not think there is a lawyer in this house who understands the details of this agreement and can explain it item by item. I say this with great seriousness. I know the minister is a man learned in the law but this is something that has been drafted over a period of approximately one year, or possibly more, by people who were interested in three particular corporations, Canadian National Railways, Pine Point Mines and Consolidated Mining and Smelting. I think those interests have been manifestly well represented, but I question whether the crown has been represented in this particular matter.

Mr. Balcer: On a point of order, Mr. Chairman, I think the inference in the remarks of the hon. member is absolutely unfair. This is the second time an hon. member has risen and said the crown was not represented and this agreement has been a sort of big deal between three corporations. I resent that inference very much and I think it is absolutely unfair.

As I said earlier, all the discussions were conducted by officers of the Department of Transport, and I ask my hon. friend, if he does not understand the agreement why does he not just stop there? He should take a look at other agreements and he would see they are not as good as this one.

Mr. Chevrier: He will never see one like this.

Mr. Balcer: As far as Pine Point Mines is concerned, they are of course ready to take the risk and they are going to put up $21 million. They are also going to pay a very high surcharge. Also, they are going to pay an extra capital charge, which is not usually paid in these circumstances.

I resent very much the inference that the government has allowed this agreement to be a big deal between two or three companies. It is not that at all. This is a project for the development of the northern part of Canada. It just so happened that there was a mine there and it helps us to finance this great project that will develop the northern part of Canada.

Mr. Matheson: Mr. Chairman, I wish to thank the minister, who indicates that this question has been very thoroughly studied.

An hon. Member: Hire a lawyer.

Mr. Matheson: I suggest to the minister that it would have been extremely helpful if a document of this complexity had been

made available to this side of the chamber at a time when it could have been examined with some thoroughness.

Mr. Monteith (Perth): It was.

Mr. Matheson: The minister referred to the fact—

Mr. Chevrier: It took two years to draft. Why should we not have had it before?

Mr. Drysdale: Do you want two years to look at it?

Mr. Chevrier: We have not even got the committee proceedings.

Mr. Drysdale: You were there.

Mr. Matheson: The minister indicated that the mine would benefit as a result of the development of this particular railway. We heard just a few days ago from the hon. member for Gloucester that a large and important mine, with a very high grade ore of both lead and zinc, had been closed in Gloucester, Northumberland county, for the past four years. We heard nothing from the minister with respect to the projected earnings. We heard nothing from him with respect to the likelihood of this ore being able to secure a guaranteed market. The fact is that we have no economic foundation for this venture at all. All we have is an agreement. The people of Canada do not benefit in any way.

I very seriously wonder what our duty to Canada is in these circumstances; whether trusting only in the slogan of the dream for the north, we should pass this bill.

The Deputy Chairman: Shall clause 1 carry?

Clause agreed to.

On clause 2—*Competitive bids or tenders.*

Mr. Speakman: Mr. Chairman, clause 2 says that the railway shall adopt the principle of competitive bids or tenders. I should like to suggest to the minister that these tenders be broken down into smaller tenders so that they can be given to smaller companies rather than one large company. They could not then let out subcontracts and in this way profit both from their tender and from the work of the subcontractors. I should like further to suggest that these contracts have inserted in them a definite clause to protect any subcontractors who might be employed.

Mr. Baldwin: May I ask the minister if he would give serious consideration to the possibility of making some commencement with the work of construction before the winter is over? I wonder if he would take up this point with the C.N.R.

Second, having in mind that this line will go through an area where there are large numbers of Indians, I wonder whether the C.N.R. could be requested to have the contractors see to it that as many Indians as possible are engaged to do all the work which can be done with regard to cutting out the line of survey and so on.

Mr. Balcer: I think those are two excellent suggestions. The crown company which will be building this railway has assured me that they intend to do their utmost to start the physical work as soon as possible. They have pressed forward the work of the survey so that it will be finished much earlier than had been expected. They are anxious to see the physical work started as early as possible.

Clause agreed to.

Clause 3 agreed to.

On clause 4—*Subsidy to Canadian National Railway Company for construction of railway.*

Mr. Chevrier: The minister gave no indication of how the interest on this capital investment is to be provided. He did say, however, that in accordance with one clause in the agreement provision is made for a service charge. I think that was the expression used. The mine will be paying about $12 million which would, I take it, go toward the reduction of the sum invested. I just want to bring to the minister's attention that this $12 million will just about wipe out the interest charges during construction. Has the minister given any consideration to that?

Mr. Balcer: To what? What does the hon. gentleman wish to know?

Mr. Chevrier: I want to know if any provision has been made by the government for the payment of these interest charges during construction. I have already pointed out that they are considerable. Indeed, they are going to wipe out this $12 million which will be paid by the mine on account of the investment.

Mr. Balcer: I have nothing to add to what I said earlier. As far as the amount of money paid by the taxpayers is concerned, it would be represented by the decrease in the deficit to the C.N.R., and that is all. This railway is going to be financed by an estimate of the Department of Transport.

Mr. Pickersgill: Before this clause carries I should like to ask the minister if there is any provision here for the appropriation of any money, or whether there will be a vote in the estimates to provide the C.N.R. with

money for the building of the line. The expenditure is apparently limited to $86,250,000 but it seems to me that none of this authorizes the expenditure of one cent and that it will be necessary, before money can be spent, for funds to be provided under an appropriation act or in some other way. Can the minister say if that is correct?

Mr. Balcer: That is correct.

Clause agreed to.

Clause 5 agreed to.

On clause 6—*Agreement required.*

Mr. Chevrier: The minister said a moment ago that the C.N.R. had been asked to build this line with its own capital but was not interested and that this applied to the C.P.R. as well. I understand, too, that the Northern Alberta Railway were also asked to build this line and that they, too, turned the idea down, I take it on economic grounds. Can the minister give us any idea of the amount of traffic in concentrates which either of those three companies said was requisite in order to make this line an economic project.

Mr. Balcer: No, Mr. Chairman, I do not know that figure. At the present time a minimum of 215,000 tons is guaranteed by the mine. As to the tonnage which would have to be carried to make this project economically feasible, I cannot give the committee that information at the present time. It is a figure for the economists to work out.

Mr. Chevrier: Has consideration been given to this within the minister's department? It takes 215,000 tons of concentrates annually over a period of ten years at a freight rate of $7.75 a ton to provide for the operation and maintenance of the line. How much more would it take to pay for the amortization of the capital, let alone the servicing of the capital and the interest during construction? Has that been given any consideration by the officials of the department? Have they worked it out on a mathematical basis similar to the manner in which the freight rate was worked out? Would it not then require, to amortize everything, something in the neighbourhood of 800,000 or 900,000 tons of concentrates per year over a period of 25 years, not 10 years?

Mr. Balcer: That is quite possible. I know that the economists in my department have worked out all these figures, but I have not got them with me. I do not disagree with the hon. member, but what I wish to say is that this line is not being built exclusively for one mine. The line is being built in order to bring about the development of the whole area, and the government has full confidence that in ten years from now the amount of traffic coming from sources other than the mine will be enough to justify the confidence which it has placed in this undertaking.

Mr. Chevrier: After this railway is built, then, other mines may well be shipping ore, as the minister sees it. Then if any other mines ship concentrates, the Pine Point mines immediately cease to pay the $7.75 per ton rate and go back to the normal rate so that the other mines will be sharing the burden. The conclusion I reached in this connection is that the heavier the traffic which will move over the line the less the Pine Point mines will have to pay. Is that not a fact?

Mr. Balcer: That is right. There is a clause in the agreement that the Pine Point railway will not be discriminated against. If another mine uses the railway, the normal rate up to $7.75, will be diminished by the same amount so that the other mines will also bear part of the surcharge. This does not mean that neither of the two mines will pay a surcharge. It means that the surcharge will be spread among other mines that will receive the same benefit as Pine Point will receive.

Mr. Chevrier: Does this means that Pine Point may not have to pay the $20 million?

Mr. Balcer: That is not the same thing. The hon. member is talking about a rate of $7.75. On top of that there is a surcharge which is based on something else, and this Pine Point must pay whether or not there is another mine.

Mr. Benidickson: Regardless of any ultimate freight will Pine Point pay $20 million over a course of years on a capital expenditure which has been estimated as being in the neighbourhood of $75 to $80 million, or even greater? Will Pine Point mine, a subsidiary of Consolidated Mining and Smelting, eventually under any circumstances pay $20 million?

Mr. Balcer: In the agreement and in the bill there is a provision for the mine to pay this capital contribution which could reach a maximum of $20 million.

Mr. Benidickson: But it could be less than $20 million if some other mines in the area developed traffic.

Mr. Balcer: No. This special capital contribution by the mine to the government represents a definite undertaking by Pine Point which does not vary if other mines use the railway for their concentrates. It is only the surcharge between the normal charge and the $7.75 which will be spread

among Pine Point and all other mines that might develop if the railway is built.

Mr. Baldwin: I wonder whether the minister would advise me if it is correct to say that under clause 4 of the agreement only if the total of all freight and other merchandise carried over the railway exceeds $6 million in one year would there be a lowering in the rates? My second question is this. Is it not a fact that in so far as the special transportation subsidy is concerned the formula is shown in schedule B which may be examined by hon. members? The formula is based on the average value of the ore and concentrates for which there is a specific charge as set out in the formula in schedule B. There are a number of different contingencies which are set out in that formula.

Mr. Pickersgill: In reply to the hon. member for Laurier the minister said he had no doubt that his officers, assuming there were no other shippers, would be able to tell us how many tons of concentrate would require to be shipped in order to cover the service and amortization of the capital and to recover the interest, but that he did not have these figures with him. Will the minister undertake to get those figures for us? It seems to me this is a very important point.

I am not saying there will not be other traffic as well. But this is one way of measuring probable traffic to see what prospects there are of the C.N.R. deriving enough out of this to make it indirectly a paying proposition. I certainly would like to see it made a paying proposition. I would support it to the hilt if anyone could show me that it would come anywhere near that.

In a qualified way the minister assented to the proposition advanced by the hon. member for Laurier that it would be 800,000 or 900,000 tons instead of the 215,000 which is over four times what they are being asked for over a period of years.

I believe we ought to have an indication other than merely the minister's expression of confidence that traffic will be available in approximately that volume. I do not necessarily refer to traffic in concentrates but to lumber and any other commodities that might be shipped. This railway will not carry passengers nor will it carry much package freight in an area where there is already a highway, as anyone who has had much experience of highways and railways knows. It is likely that this railway will carry only bulk cargo of one kind or another. I believe we ought to have a much harder estimate.

When we resume in committee tomorrow the minister should tell us what the estimate of the cost to the treasury is based upon including projected rate of interest they are working on. There must be an estimate available from the Department of Finance which is going to have to put up the money. We should have an estimate of the cost to the treasury from whatever time construction of this railway commences until 1966—or possibly earlier—and considering the speed at which this government moves, even if the government were in office and had much to do with these things at that period, I would say later would be a better guess than earlier.

In any event a certain amount in the millions will have to be put up every year to a maximum of $86 million on which there is going to be no return at all because the railway will not be in operation. It is going to cost the Minister of Finance a lot to get that money. I think we ought to know what the estimate is of what that is going to be and what the estimate is of what it is going to be for a reasonable interest and amortization into the future, so that we will have a clear picture of the whole thing before we are asked to make final disposition of the matter. Would the minister endeavour to give us those figures tomorrow?

Mr. Balcer: Mr. Chairman, may I say I think it would have been appropriate had the hon. gentleman opposite asked those questions when the bill was before the committee.

Mr. Benidickson: We did not know the facts.

Mr. Chevrier: We could not do so when we did not have the agreement.

Mr. Benidickson: The minister did not give us the agreement.

Mr. Balcer: My hon. friends had the agreement.

Mr. Chevrier: Surely the minister could not reasonably expect that we could digest an agreement of that character which took over a year to draft when we were before the committee.

Mr. Balcer: Mr. Chairman, let me say to my hon. friends in the opposition that I am sorry to have caused them so much trouble as a result of this agreement. We produced the agreement as I am sure hon. members opposite wished us to and apparently it has been the source of all the troubles of the opposition. The next time we will stick strictly to the bill and it will be much simpler. We will not have all the problems we have at this time.

I probably did not clearly understand what was sought by my friend the hon. member for Laurier. I believe I said that probably the

economists in my department must have considered the tonnage figures and related material. If the figures are available I will do my utmost to produce them for the committee tomorrow.

Mr. Pickersgill: Mr. Chairman, just before we call it ten thirty might I thank the minister for undertaking to produce this information and thank him also for his discourse on the rights of parliament and the opposition, which was so like his leader's observations when he sat on this side of the house.

Mr. Monteith (Perth): Nasty, nasty.

Mr. Benidickson: Factual, factual.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Chevrier: May I inquire what the business will be for tomorrow?

Mr. Churchill: Four items, Mr. Speaker. The first would be the continuation of the bill we have just been dealing with, Bill No. C-126, the Pine Point railway. The second would be Bill No. C-122, the dominion-provincial tax collection agreements. The third item would be the estimates of the Department of Finance and the fourth item the estimates of the Department of Transport. There would also be the divorce bills when they have been returned to the house after consideration by the standing committee.

At 10.34 p.m. the house adjourned, without question put, pursuant to special order.

HOUSE OF COMMONS

Tuesday, September 26, 1961

The house met at 11 a.m.

COMMITTEES OF THE HOUSE

MISCELLANEOUS PRIVATE BILLS—SIXTH AND SEVENTH REPORTS—CONCURRENCE IN SEVENTH REPORT

Mr. Nicholas Mandziuk (Marquette) presented the sixth and seventh reports of the standing committee on miscellaneous private bills, and moved that the seventh report be concurred in.

Mr. Speaker: By reason of the special orders that were made yesterday perhaps I should inquire whether it is the wish of the house that this sixth report, which appears to refer to a great many divorce bills, should be available for consideration today, in which case suspension of the ordinary practice of having it listed on the order paper will be required. Otherwise it could not be considered until tomorrow.

Hon. Gordon Churchill (Minister of Veterans Affairs): Mr. Speaker, it would be helpful if the report were available today.

Mr. Frank Howard (Skeena): I think that would be the proper thing to do.

Hon. J. W. Pickersgill (Bonavista-Twillingate): I do not think there would be any objection to that, Mr. Speaker.

Mr. Speaker: Then by unanimous consent the report which is now tabled will be available today at the hour for private bills, notwithstanding the fact that it has not been listed on the order paper. Is that agreed?

Some hon. Members: Agreed.

Motion agreed to.

Third report of standing committee on agriculture and colonization—Mr. McBain.

TRADE

ACCRA—STATEMENTS ON COMMONWEALTH ECONOMIC CONFERENCE

Hon. George H. Hees (Minister of Trade and Commerce): Mr. Speaker—

Mr. Chevrier: Is the minister going to make a statement?

Mr. Hees: Yes; I missed motions.

Mr. Chevrier: Mr. Speaker, if the minister wishes to revert to motions I have no objection.

Mr. Hees: Could we revert to motions, Mr. Speaker?

Mr. Speaker: Is it agreed that the minister has leave to revert to motions?

Some hon. Members: Agreed.

Mr. Hees: Mr. Speaker, I should like to make a brief report about a trip which has necessitated my absence during the past two weeks. During these two weeks I have, as the house already knows, attended the commonwealth economic conference at Accra with my colleague the Minister of Finance, and later visited our trade commissioners in five of the important markets of Europe.

At the Accra conference I outlined the importance to Canada of maintaining the commonwealth trading arrangements which have been so beneficial to our farmers, fishermen, lumbermen, miners, other primary producers and manufacturers in the United Kingdom market, and also to United Kingdom producers selling in the Canadian market. I pointed out that acceptance of the common market tariff by the United Kingdom would mean for us the loss of free entry for a number of important industrial raw materials, the whole range of semi-processed and manufactured goods, and most of our agricultural exports.

I told the meeting that out of total sales to the United Kingdom last year amounting to $915 million some $691 million, or 76 per cent, would be affected by United Kingdom acceptance of the common market tariff; $631 million would in our view be seriously affected; $584 million of this trade would be faced with higher tariffs, and $553 million would be faced with not only a loss of preference but, in most cases, a preference against Canadians and in favour of Europeans. I said this would be an entirely new and disturbing situation for us. I pointed out that such figures are by no means a full measure of the potential damage of such a move for Canada. In some cases the loss of preference, let alone reverse preference, could eliminate Canadians from the United Kingdom market.

The other commonwealth delegations attending the conference expressed similar concern over the effect which the loss of present trading arrangements in the United Kingdom

market would have on their economies, and the communique, which was adopted unanimously, expresses accurately the grave concern felt by members of the commonwealth about this matter.

At no time did I say anything which could be construed as an ultimatum to the United Kingdom government that she must choose between the European common market and the commonwealth. I endeavoured to point out to the United Kingdom government the importance to Canadian producers of maintaining our present trading arrangements in the United Kingdom market, and the damage that will result if these trading arrangements are not maintained. I pointed out that our economy would be harmed to the degree that the United Kingdom government is unable to maintain these trading arrangements.

I think the house might be interested to learn of the increase in exports between this country and the United Kingdom which has developed since this government took office. In 1956 Canadian exports to the United Kingdom market amounted to $812,668,049. Last year exports to the United Kingdom market from Canada amounted to $915,289,654. Our exports to all commonwealth countries, including the United Kingdom, in 1956 amounted to $1,055,833,671. Last year they amounted to $1,244,519,631. I cite these figures simply to show how trade with the United Kingdom and the commonwealth as a whole has been increasing during the time we have been in office, and the importance of this trade to Canada.

After leaving Ghana I visited our trade commissioners in Italy, West Germany, France, Belgium and the United Kingdom. My purpose in doing so was threefold. First of all I wanted to examine the opportunities which exist for expanding trade in those countries. Having discussed this matter with our trade commissioners and with businessmen, I am convinced that we can substantially expand our trade in those markets if our businessmen will visit the markets and show prospective customers good samples at competitive prices. Canadians have a lot of goodwill in Europe and people there are anxious to do business with us, but they want to meet our salesmen face to face and discuss prospective sales with them.

My second purpose was to find out at first hand if our posts abroad are carrying out efficiently the task I have given them of making it as easy for a Canadian businessman to sell his products in the country in which they are serving as it is for him to do business in Canada. I find that this is being done very effectively in the five countries which I visited.

[Mr. Hees.]

My third purpose was to find out if the department in Ottawa can do a better job of backing up our trade commissioners in the important tasks they have been given to do. A number of good suggestions were made to me and these will be put into effect in the near future.

In conclusion, Mr. Speaker, I felt that the visits I made to posts abroad were very useful indeed, and I intend to make similar visits to other posts abroad just as soon as sufficient time is available.

Hon. Lionel Chevrier (Laurier): Mr. Speaker, I was wondering whether the Minister of Finance had a statement to make. If he has, I would rather reserve my comments until after he has completed his statement.

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, I arrived in Ottawa at a very late hour last night and I have no prepared statement. If it is the wish of the house, however, I shall be pleased to review this and other matters on which I had the privilege of representing Canada abroad during these past two and a half weeks. I understand that my estimates will perhaps be before the house today and I shall be glad indeed to deal more fully with any of these subjects at that time. However, if it is the wish of the house I shall be glad to make a statement now, Mr. Speaker.

Mr. Speaker: Before the minister proceeds may I say I would think if there is to be discussion to any extent of the matters on which statements have been made, it would be more appropriate to deal with them on the estimates, where debate is permissible. At this time of day it is not customary to get into debate. I would think if that course commends itself to both sides it would be preferable, unless the statement is a purely factual statement which requires to be made at this time, which I take it that it is likely not to be.

Mr. Chevrier: Mr. Speaker, I doubt that the statement is a purely factual one. In any event we on this side of the house are willing to abide by your suggestion.

First of all I wish to follow the course followed yesterday with respect to the Minister of Trade and Commerce, and welcome back to the house the Minister of Finance. I should like to congratulate him at once for his decision to visit the Vatican. I think that was a commendable decision, and I should like to see others of the minister's colleagues emulate his decision. There is precedent in that the royal family have been visitors at the Holy See from time to time.

The Minister of Trade and Commerce has made a statement which I shall not say was

comprehensive, but which dealt with his activities at the economic commonwealth conference at Accra. We were concerned, and everyone in Canada who expressed an opinion was similarly concerned, as a result of the reports that came from Accra to the effect that not only the Minister of Finance but more particularly the Minister of Trade and Commerce were lecturing the British about their own political problems. When we saw the text of the speech which the Minister of Trade and Commerce admitted yesterday was his text, a copy of which I hold in my hand, we were even more shocked to find that a Canadian minister was telling the British, in effect, that they could not stay in the commonwealth unless they did what the Canadian government told them to do.

Although the minister attempted this morning to water down what was said it is clear from this press report, prepared by Norman M. MacLeod of United Press International that Canada took the lead in ganging up in a negative and obstructive fashion against Britain.

Mr. Diefenbaker: Nonsense.

Mr. Chevrier: We think this was the wrong approach.

Mr. Speaker: The course of the proceedings puts the Chair in some difficulty, because it is apparent that this is a debate. I suggest to the house that the debate be adjourned to the estimates of the Minister of Finance and be carried on there; otherwise I shall have to exercise my discretion and prescribe some limits to what is taking place.

Mr. Chevrier: Mr. Speaker, there are a number of statements—

Mr. Fleming (Eglinton): May I speak on the point of order?

Mr. Speaker: Yes.

Mr. Fleming (Eglinton): If the hon. member were to be permitted to proceed in this fashion I would have to ask you to permit me to rise and contradict these misstatements categorically, Mr. Speaker, because they just do not accord with the facts of the case at Accra. There was no ganging up on the United Kingdom. That is a complete distortion of what happened at Accra.

Mr. Speaker: I appreciate the fact that that is the situation. If the hon. member for Laurier is permitted to continue in the way in which he is now going there will be necessity to give an opportunity to hon. members to comment on his statement, and then there would be no limit to the extent of the discussion.

This is not the period for debate. The Minister of Trade and Commerce expressed opinions and certainly they should be commented on, but I would expect that it might be more appropriately done, if the house would agree, when the house takes up the estimates of the Department of Finance.

Mr. Chevrier: Mr. Speaker, some comments were made by the Minister of Finance that I should like to deal with, and I think I can deal with them with the velvet glove instead of the iron fist that I am being accused of using.

If I am allowed to do so I should like to suggest to the minister that we on this side of the house think the statement he made this morning as well as the report of his speech which we have in our hands was the wrong approach. We think the approach which was adopted by the government at Accra was the wrong one. We think that rather than have proceeded in the way in which the government did there should have been a positive approach. We feel—

Mr. Speaker: I think the hon. member has made the position of his party clear, which is all that is normally permitted in the preliminary remarks, reserving the right to comment and debate further on. If the hon. member for Laurier proceeds it will not be possible to restrict the discussion. Therefore I would ask him whether he would leave it at this point.

Mr. Chevrier: I shall conclude what I have to say on the estimates of the Department of Finance.

Mr. Hazen Argue (Assiniboia): May I make a very short statement. I appreciate the opportunity to do so. I listened very carefully to the remarks of the Minister of Trade and Commerce. It is accepted in this house that when a member makes a denial of statements that have been credited to him the house accepts that denial, and this I am sure we all do. I think it is the general feeling of hon. members that the statement attributed to the minister would not have been a wise one to make, to say the least. However, Mr. Speaker, I think we can also go overboard in criticizing the minister for having pointed out in a very strong way the serious implications that can flow to Canada from Britain joining the common market.

I wish to say that I believe the minister was carrying out the responsible duty of a minister of the crown in pointing out in a very strong way the very serious consequences that will flow to Canada should Britain join the common market. The result could be a disastrous increase in tariffs applied affecting Canadian exports.

Canadian Disarmament Position

However, after having said that, I think it is also right to say that Canada must not be satisfied with a negative approach. We must have a positive approach toward increasing trade, toward extending the area where barriers to trade can be reduced, and we shall await with interest the minister's enunciation of these more positive proposals. We feel that Canada's role in the future must be one of association with members now in the European common market as well as with other nations in widening the areas in which trade barriers are reduced and will eventually be removed.

UNITED NATIONS

DISARMAMENT—STATEMENT ON CANADIAN POSITION

Right Hon. J. G. Diefenbaker (Prime Minister): Yesterday President Kennedy, in his speech to the United Nations general assembly, revealed new disarmament proposals. The new plan has been submitted to the United Nations in a United States document. I want to make clear at once that it has full Canadian support, and that Canada took an active part in the preparation of these proposals. I think the house might be interested in a statement on their main features.

Throughout the summer we have been working closely with representatives of the other members of the ten nation disarmament committee to get these new proposals ready. There has been very full consultation with other members of the western alliance. The Canadian point of view was presented, and vigorously presented, in the course of those meetings, and the majority of the suggestions made by Canada are embodied in the new plan as enunciated.

These proposals meet the wishes of the average person throughout the world for a really significant measure of disarmament to be attained at the earliest possible date. As well, they underline the necessity of viewing disarmament as an uninterrupted process directed toward a definite goal.

These are factors to which great importance was attached by the commonwealth prime ministers at the meeting earlier this year. It is significant that they now find a place in the new disarmament proposals. In point of fact, the communique issued by the prime ministers' conference represented, I think, the first occasion on which all of the nations of the commonwealth joined together in one proposal and in one compendium of suggestions on this or any other matter.

The new plan, as enunciated, does not stop at pious deference to the ultimate goal of general disarmament. It provides an opportunity for undertaking immediate measures to put a stop to the arms race, to reduce the dangers of surprise attack and reverse the frightening spiral of threats to peace which now confronts the world. It is clear proof of the fact that the western nations are not out to promote empty slogans but are sincerely desirous of seeking active, concrete disarmament as soon as possible.

The most striking point of the new plan is that it provides for a large measure of disarmament at the very first stage. It would get disarmament started right away in all important areas. In that regard, I should point out that there are substantial proposals to deal with the most dangerous of modern armaments, nuclear weapons, and the means for their delivery. The production of nuclear weapons material is to be stopped at the very outset. Quantities of fissionable material from past production for military purposes are to be transferred to peaceful uses. In that connection I might point out that when I spoke at the United Nations assembly in September, 1960, that was one of the matters advanced.

In conjunction with these measures, provision is also made to stop the further spread of nuclear weapons by prohibiting any country which possesses them from relinquishing their control to countries which do not. The section in question, to which I might refer, reads as follows:

> States owning nuclear weapons shall not relinquish control of such weapons to any nation not owning them and shall not transmit to any such nation the information or material necessary for their manufacture. States not owning nuclear weapons shall not manufacture such weapons, attempt to obtain control of such weapons belonging to other states, or seek to receive information or material necessary to their manufacture.

There is also provision at the beginning of the program for the reduction of existing stocks of the major means of directing nuclear weapons to their targets, "strategic delivery vehicles" as they are called in the plan. The production and testing of specified types of these weapons are also to be limited or discontinued altogether. This provision, too, was one of those I placed before the assembly in September, 1960, when I pointed out the need of a law for outer space before the dangerous potentialities of the future would permit of the launching of war as against all mankind from outer space; and that outer space should be available to all nations, great or small, in an equal manner and should be used for peaceful purposes.

These measures suggested by the President go a long way toward removing the widespread fear that the nuclear powers are embarked on a contest which they cannot stop and which no one can win. Their importance cannot be exaggerated.

I think it is apparent that while nuclear weapons present the most frightening threat of modern times, the so-called conventional means of warfare can also cause—and have done so on more than one occasion in our lifetime—extraordinary devastation and misery.

There are provisions for significant manpower reductions, to 2.1 million men in the case of the United States and the Soviet union in the first stage. It is also provided that conventional armaments will be reduced. Further, the plan calls for limitations on the production of certain categories of conventional weapons.

There are measures designed to reduce the dangers of surprise attack or accidental war through advance notification of military manoeuvres and ground observation posts. An international commission is to be established to study further measures of this kind. The importance of these provisions is apparent in a world where a miscalculation could result in all-out war before either side has had time for second thought, sober second thought, on the subject.

A further section of the plan deals with the peaceful usage of outer space. I have already made reference to that. The plan would prohibit the stationing in outer space of weapons of mass destruction, and calls for a system of advance notification of satellite launchings so that all states will be reassured that these launchings are peaceful in intent. The Secretary of State for External Affairs on more than one occasion has advanced this and other suggestions that now find their way into the presentation of this plan.

The entire plan is to be implemented under the strictest international verification. The provisions for effective control are among the most important, because they give the assurance that is sought by all that the measures undertaken will in fact be carried out, and that all states will fully respect their obligations.

Finally, there are significant new provisions for increasing the strength and effectiveness of international machinery to keep the peace. These proposals are given prominence because it is clear that no states will be prepared to sacrifice the means by which they now provide self defence, unless there is sufficient guarantee that there will be effective arrangements by which the security of all states can be protected internationally. The new proposals look to the development of existing United Nations arrangements for keeping the peace, and call for the creation of a United Nations peace observation group which could investigate any incident anywhere in the world which would be likely to constitute a threat to the peace. In addition —and this has been the hope for 1,000 years —the creation of a genuine international force, to take place in the second stage of disarmament.

All these things constitute a broad program the goal of which is to remove all threat of war and to ensure that disputes between nations will be settled by peaceful means. After further development in stages two and three, if the plan is accepted, the only armaments and armed forces which would be retained would be those required to protect the security of individual citizens and for contributions as well to an international peace force.

I think the proposals are impressive and that, if they were accepted, they would bring about a major achievement in the field of disarmament effectively and quickly. To what extent they will prove acceptable to the Soviet union will be seen only in detailed negotiations. I think the proposals are realistic. While all of us feel a sense of encouragement with every indication of even the slightest change, I think the acceptance by the United States and the U.S.S.R. of the basic principles which underlie and guide these negotiations will be a step forward.

There are other problems which remain to be resolved. An element of co-operation on both sides can still contribute to their solution at an early date. It is an overriding obligation for everyone in our country as well as throughout the nations of the world to ensure that this challenge shall be met without further delay.

In the midst of the difficulties of the present, the fears that overhang all mankind, the proposals constitute great hope if accepted; for if the expenditures now being made in the field of armament could be applied to those talks that raise the living standards of men, we would be entering a new era in which the past would be far exceeded by the potentialities which technology permits and allows in the present.

Hon. Lionel Chevrier (Laurier): I wonder whether the Prime Minister would permit a question at this stage. It is this. Can the Prime Minister say whether the government was consulted about the third principle for disarmament put forward by the president and which reads as follows:

> Prohibiting the transfer of control over nuclear weapons to states that do not now own them.

If so, how can this be reconciled with joint control?

Mr. Diefenbaker: Mr. Speaker, the Canadian government has continued to be in favour of a comprehensive system of disarmament which will include measures for

stopping the further spread of nuclear weapons. Last year at the general assembly the Canadian representative said this:

> ... we believe that the spread of nuclear weapons to an ever increasing number of countries would pose a threat to mankind. We consider that the only satisfactory way to dispel the dangers inherent in this possibility is through international agreement on a comprehensive and carefully verified system of disarmament.

Consistent with this policy the Secretary of State for External Affairs and all Canadian representatives have worked for the recognition of the importance of including measures to prohibit the spread of these weapons as part of a disarmament program. I am glad that they form part of these new proposals.

Mr. Hazen Argue (Assiniboia): Mr. Speaker, the statement of the Prime Minister was something of a general summary of the speech of the President of the United States at the United Nations. I think peace loving people throughout the world will in general welcome the tone as well as most of the content of the speech delivered by President Kennedy. In the last few weeks, without wise counsel from important leaders of the world, the world was hell bent toward nuclear war. I think the statement of President Kennedy may bring to the councils of the world a measure of sense.

The resumption by the U.S.S.R. of nuclear tests was perhaps the greatest single blow in recent weeks to the hopes of mankind for an enduring peace. We have criticized the United States for resuming nuclear tests, but we welcome the statement of President Kennedy that cessation of nuclear tests by all nations should be agreed upon forthwith.

We welcome the statement by the Prime Minister that Canada had been consulted before these proposals were put forward by President Kennedy. It seems to me that President Kennedy, in stating that there should be no further extension of control of nuclear weapons, strengthens the opinion of those Canadians who believe that Canada should not accept nuclear weapons. We do not feel that nuclear weapons should be on Canadian soil, whether or not those weapons are under the control of Canada itself.

In recent weeks so much of the talk has been about preparation for eventual war that it seems a very satisfactory thing to hear the leader of the United States talk about peace and the terrible results of an atomic war. The world is looking to the United Nations now for leadership in the field of peace. We hope that the United Nations, as requested by President Kennedy, Canada and other nations, will appoint a secretary general who can continue the good work of the late Dag Hammarskjold.

Mr. Diefenbaker: With the leave of the house, Mr. Speaker, may I say that I think it might be well to have printed as an appendix to *Hansard* the United States declaration and program on disarmament which, as I said a moment ago, reflects the Canadian view and to which Canada made ample recommendations, many of which were accepted.

Mr. Speaker: Is it agreed that the declaration submitted by the Prime Minister be printed as an appendix to *Hansard*.

Some hon. Members: Agreed.

[*Editor's note: For document referred to above see appendix "A".*]

CANADIAN NATIONAL RAILWAYS

INQUIRY AS TO APPOINTMENT OF PRESIDENT

On the orders of the day:

Hon. Lionel Chevrier (Laurier): Mr. Speaker, I should like to address a question to the Prime Minister. Has he any comment to make on the story appearing in this morning's *Gazette* that Donald Gordon would be reappointed as head of the Canadian National Railways, and that his appointment would be announced by the Minister of Transport within the next 48 hours?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, that is the old, old question the hon. gentleman has asked now in a different form. The answer remains the same as already given.

AGRICULTURE

DROUGHT CONDITIONS IN WEST—INQUIRY AS TO FEDERAL ASSISTANCE

On the orders of the day:

Mr. Hazen Argue (Assiniboia): Mr. Speaker, I should like to address a question to the Minister of Agriculture. In view of the general disappointment on the prairies arising out of the fact that the government has not announced a policy on acreage payments either in lieu of deficiency payments or as additional payments—

Some hon. Members: Question.

Mr. Argue: —in order to compensate for widespread drought, can the minister say when the government will make an announcement of policy, and whether the house will be asked to pass estimates at this time for such purposes.

Hon. Alvin Hamilton (Minister of Agriculture): Mr. Speaker, this is the first opportunity I have had since the events of the past summer to extend my congratulations to the hon.

member for Assiniboia for the high office and the high responsibilities he has been given in the new party. I wish him well in those responsibilities.

In so far as the question is concerned, I think it is very apparent that the efforts of the government to meet the drought situation in its first stages, and second to deal with the water problems that now exist, are the main factors facing western farmers. Needless to say the question of income, in which we set an example in 1958 and 1960 and took some responsibility, is still under consideration. I think the farmers know where their friends are.

Mr. Argue: Mr. Speaker, I wonder whether I can ask the minister to clarify his answer by asking him whether this means no to western agriculture during this session. In the light of the minister's generous use of words we are entitled to an answer.

Mr. Speaker: Order.

CIVIL DEFENCE

CONFORMITY OF RECOMMENDED SHELTER WITH BUILDING CODE

On the orders of the day:

Mr. J. R. Garland (Nipissing): Mr. Speaker, may I ask the Minister of Public Works whether it is a fact that the shelter against radioactive elements which has been recommended for construction by the government is contrary to the national building code.

Hon. D. J. Walker (Minister of Public Works): Mr. Speaker, I shall be glad to accept that question as notice.

TELEVISION

TORONTO—REPORTED TRANSFER TO U.S. OF INTEREST IN PRIVATE STATION

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, may I ask the Minister of National Revenue whether he has any information from the board of broadcast governors as to the matter of the transfer of stock in the television station in Toronto to a United States company. If so, would he inform the house?

Hon. George C. Nowlan (Minister of National Revenue): Mr. Speaker, the answer is no. It has been the custom of the board to issue statements at the conclusion of hearings. I presume this will be done when they finalize the matter.

DRUGS

REPORTED INCREASE IN NUMBER OF FORGED PRESCRIPTIONS

On the orders of the day:

Hon. J. W. Monteith (Minister of National Health and Welfare): Mr. Speaker, on Friday the hon. member for Sudbury asked me if I had any comments in connection with a story in the Toronto *Globe and Mail* of that day which quoted reports that forged prescriptions for barbiturates had greatly increased over the past few months.

My department has been aware of irregularities in this field, and I can assure the hon. member the matter is under active investigation by police authorities. The general situation, as far as trafficking is concerned, led to the legislative action recently approved by parliament. These steps were effective as of September 15, and I have no doubt that many of the reported activities will be eliminated now that the legislation is operative.

UNEMPLOYMENT ASSISTANCE

FEDERAL PAYMENTS TO PROVINCIAL GOVERNMENTS

On the orders of the day:

Hon. J. W. Monteith (Minister of National Health and Welfare): Mr. Speaker, during my estimates on Saturday last I promised the hon. member for St. Denis that I would table some figures. At that time I said I had no objection to these figures being printed in *Hansard*. These are payments by the government for unemployment assistance over the past few years.

Mr. Speaker: Has the minister leave to table the document?

Mr. Pickersgill: And have it printed in *Hansard*.

Mr. Monteith (Perth): At that time I said I would agree to the figures being printed in *Hansard*.

Mr. Speaker: Is it agreed that the document be printed as an appendix to *Hansard* today?

Some hon. Members: Agreed.

[*Editor's note: For figures referred to above, see appendix "B".*]

HOUSING

UNIVERSITIES IN RECEIPT OF AND ELIGIBLE FOR ASSISTANCE

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I wonder whether I may put a question to the Minister of Public

Works. During the course of the debate on the amendments to the housing act the minister was good enough to say that at a later date he would make available for inclusion in *Hansard* a list of the universities to which assistance had been given under that act, and a list of the institutions which were eligible for such assistance. I wonder if the minister would endeavour to expedite the production of that document for its inclusion in *Hansard* this session.

Hon. D. J. Walker (Minister of Public Works): Mr. Speaker, on the understanding that the hon. member for Bonavista-Twillingate is trying to expedite the prorogation of this house, I would be very happy to do that if he can give me an idea when that date will be.

NORTHERN AFFAIRS

LABRADOR AND NEWFOUNDLAND—ASSISTANCE TO ESKIMOS AND INDIANS

On the orders of the day:

Mr. C. R. Granger (Grand Falls-White Bay-Labrador): Mr. Speaker, I wish to direct a question to the Minister of Northern Affairs and National Resources. Can the minister say what consideration is being given to providing funds to assist the Eskimos in Labrador?

Hon. W. G. Dinsdale (Minister of Northern Affairs and National Resources): Mr. Speaker, as the hon. member knows, under the terms of union responsibility for the Eskimo population of Labrador fell to the province of Newfoundland. From time to time there have been suggestions whereby assistance might be rendered by the federal government. Incidentally, this also involves the Indian population of Newfoundland. I can assure the hon. member that we are giving consideration to these suggestions.

Mr. Granger: Mr. Speaker, I should like to ask a question of the Minister of Citizenship and Immigration similar to the one I asked the Minister of Northern Affairs and National Resources. Can the minister say what consideration is being given to providing funds to assist Indians in Labrador?

Hon. Ellen L. Fairclough (Minister of Citizenship and Immigration): Mr. Speaker, as my colleague has just said, the responsibility for the Indians of Labrador, like the Eskimos, under the terms of union was placed on the provincial government. Consequently theirs is the responsibility for providing services, housing, etc., for the Indian population.

However, we have received several suggestions from the provincial government of Newfoundland asking for assistance in the provision of housing accommodation for the Indians of Labrador. This matter is under consideration by the government at the present time and as soon as a decision has been reached an announcement will be made.

TRANSPORT

EASTERN NEWFOUNDLAND—STATEMENT ON BUILDING OF CAR FERRY

On the orders of the day:

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, on Friday last the hon. member for Trinity-Conception asked if I was in a position to say whether a decision had been reached to build a new ferry to operate from some port on Newfoundland's east coast and, if so, when construction would begin. No final decision has yet been arrived at.

CANADIAN NATIONAL RAILWAYS

CONSTRUCTION OF LINE TO GREAT SLAVE LAKE

The house resumed, from Monday, September 25, consideration in committee of Bill No. C-126 respecting the construction of a line of railway in the province of Alberta and in the Northwest Territories by Canadian National Railway Company from a point at or near Grimshaw, in the province of Alberta, in a northerly direction to Great Slave lake, in the Northwest Territories—Mr. Balcer—Mr. Chown in the chair.

On clause 6—*Agreement required.*

Mr. Pickersgill: When we adjourned last evening I had just asked the minister for certain information and he had undertaken to provide that information if possible. I am glad the Minister of Finance is here this morning, and perhaps I could have his attention; because if the Minister of Transport cannot provide this information I am perfectly sure the Minister of Finance can. Perhaps I should recall what it was I said:

> I believe we ought to have an indication other than merely the minister's expression of confidence that traffic will be available in approximately that volume. I do not necessarily refer to traffic in concentrates, but to lumber and any other commodities that might be shipped. This railway will not carry passengers, nor will it carry much package freight in an area where there is already a highway, as anyone who has had much experience of highways and railways knows. It is likely that this railway will carry only bulk cargo of one kind or another. I believe we ought to have a much harder estimate. When we resume in committee tomorrow the minister should tell us what the estimate of the cost to the treasury is based upon, including the projected rate of interest they are working on.

By the cost to the treasury I do not mean the $86 million; I mean the cost of carrying

that $86 million over the period, since there is no provision in the agreement for any direct return on it.

Mr. Balcer: As I explained yesterday, this money will be paid to the company out of the consolidated revenue fund from time to time under the direction of the governor in council and upon a report of the Minister of Transport concerning the mileage of railway line constructed or to be constructed, in such amounts and in such manners and subject to such conditions, if any, as the governor in council deems expedient. There will be the same conditions, the same charges, as those applied in respect of any other subsidies paid out of consolidated revenue for any special purpose.

Mr. Pickersgill: I am sure the Minister of Finance would not have agreed to this agreement and to the introduction of this bill without having a projection over the period until 1966—during which the railway is not going to be operating, according to the prospects—of what this is going to cost the treasury. I am not talking about the $86 million itself. I am talking about the carrying charges on that sum as the money is borrowed over that period. I think before we approve this bill we ought to know what the estimate is. I realize that the actual amount will depend on how quickly the railway is built. The slower it is built the more it is going to cost, because more money will have to be provided for a longer period. I think the Minister of Finance, as the custodian of the treasury, should tell us what estimate has been made of the carrying charges up to the time the railway begins to operate in 1966.

Mr. Balcer: I think anybody will realize that if this money is to be borrowed we shall have to pay the interest in the bond market of Canada at that time. We do not know what this is going to be three years from now, for example, or at any given time. It will be whatever the market will require at that time.

Mr. Chevrier: May I ask the Minister of Finance what is the rate of interest which is being paid by the government now on short term borrowings?

Mr. Fleming (Eglinton): It depends entirely on the maturity. The treasury bill rate has been remarkably low for some time now. Our own market borrowings have been in the short term field in keeping with the policy which I announced in the budget. We have not been borrowing in the long end of the market for some time. I shall be pleased, when we come to the discussion of my estimates, to deal with the question of interest rates if the hon. member wishes.

Mr. Chevrier: Can the minister not give some indication of what rate the government would have to pay if, say, $100 million were required?

Mr. Fleming (Eglinton): That would depend on the time of the borrowing; it would depend on conditions at the time. It would depend on the maturity date, and on many other factors.

Mr. Chevrier: I asked the minister to tell us as of now.

Mr. Fleming (Eglinton): I said that we have not been borrowing on the long end of the market for some time for the reasons I indicated in the budget speech. We have been leaving that end of the market open to the provinces and the municipalities. The maturity would be a matter for decision when the time came. I think the hon. member will not overlook the fact that this money is not all required at one particular time; it would be a matter of taking care of this additional requirement along with all the other cash requirements of the government.

Mr. Chevrier: I realize that, and if the minister had been here last night—he was not here, through no fault of his own—he would be aware that the discussion had to do with regular amounts which would have to be provided year by year until the railway was built.

I come back to the question I asked the minister last night in connection with the amount of concentrates required by the Northern Alberta Railways to amortize the capital over a period of years. The minister said he would consult with his officers to ascertain whether there had been an amount of concentrates per year required by the N.A.R. in case they should decide to build this line with their own capital.

Mr. Balcer: I understood from the discussion last night that this information was not required any longer. The hon. member for Laurier himself gave the figure; he had made the calculation. We had a rate for 215,000 tons of concentrates and he made the calculation himself based upon that figure and gave the results to the committee. I thought he was satisfied with that. If I understand him well, he wants to know what the Northern Alberta Railways figured would be the full requirement of concentrates which should be shipped on that line so as to completely amortize the total cost of the line. I am sorry, but I have not got that figure at the present time. My people can endeavour to get it, though I am not sure whether we

have in the department any figure prepared by the Northern Alberta Railway Company with regard to such a requirement.

Mr. Chevrier: I put the question to the minister, as reported at page 8896 of *Hansard*, as follows:

> Would it not then require, to amortize everything, something in the neighbourhood of 800,000 or 900,000 tons of concentrates per year over a period of 25 years, not 10 years?

The minister replied:

> Tha is quite possible. I know that the economists in my department have worked out all these figures, but I have not got them with me. I do not disagree with the hon. member, but what I wish to say is that this line is not being built exclusively for one mine.

Later on, as reported at page 8897, the hon. member for Bonavista-Twillingate said:

> In a qualified way the minister assented to the proposition advanced by the hon. member for Laurier that it would be 800,000 or 900,000 tons instead of the 215,000, which is over four times what they are being asked for over a period of years.

I cannot readily locate it in *Hansard*, but I understood the minister to say that he would check with his officers to find out whether that was correct. The minister now says he could obtain those figures at a later date. I would appreciate it if he would secure them before the conclusion of this discussion.

Mr. Balcer: I have just received information from my officials. If all the traffic from Pine Point were to consist of concentrates a volume of approximately 800,000 tons would be required to amortize the capital cost. What the hon. member for Laurier seems to forget is that there would be concentrates other than from Pine Point. This does not take into account the traffic moving into Pine Point mines including equipment, supplies and other things, nor does it take into account commercial fishing at Great Slave lake which will be transported on this line, together with other commodities such as lumber and agricultural produce.

Mr. Chevrier: Does the note which the minister received say anything about the length of time required? The minister will remember that the agreement extends for only ten years. My suggestion was that when worked out mathematically it would take between 800,000 and 900,000 tons over a period of 25 years. That is four times greater so far as the volume is concerned, and two and a half times greater so far as the time is concerned. Has the minister any information as to the length of the term of the agreement?

Mr. Balcer: I agree with my hon. friend that approximately 800,000 or 900,000 tons will be required over a period of 25 years if we ship on that line exclusively concentrates from Pine Point.

Mr. Chevrier: That is fine. I thank the minister. I did not hear him refer to the period of 25 years.

I wish now to follow up another point raised by my friend the hon. member for Bonavista-Twillingate in connection with the demand for concentrates over the period of time mentioned in the agreement. Mr. D. F. Purves who appeared as a witness before the standing committee on Thursday, September 21, 1961, as reported at page 258 of the minutes of proceedings and evidence, when referring to the assurance of a continuing market for concentrates, said:

> We do not have any assurance in that regard, but we do have the other assurance with which we primarily are concerned. That is, the company will ship 215,000 tons per year or pay a penalty.

The question that arises is this. Did the government make any survey of the future of these concentrates? From the evidence it would appear that both the C.N.R. and the government took the position of saying that they did not have to worry about that because that is the problem of Cominco, and that if they were willing to enter into an agreement that was no concern of the government or the C.N.R. That is the impression I received from the testimony of the witness, Mr. Purves, and also from what the minister said.

As the committee knows, there is a drive on in the United States congress to raise tariffs and also to impose quotas upon lead and zinc. The question that comes to mind is this. Suppose the decision with respect to lead and zinc is similar to that in relation to uranium. What steps has the government taken, either through an analysis by an interdepartmental committee or a study made by its economists and experts, to ascertain the future of lead and zinc tariffs? This is not a matter involving a few million dollars but perhaps $100 million. I wish to be enlightened on that point if the minister is able to assist me.

Mr. Balcer: The experts and economists in my department who dealt with this agreement reached the conclusion that the special guarantee from Pine Point and Cominco of a shipment of 215,000 tons a year for a period of ten years was a good guarantee as far as the government is concerned. As the agreement states, if in any year Pine Point produces and ships less than 215,000 tons, the mine will have to pay $7.75 for each ton it fails to produce.

According to the experts in my department who are well versed in questions involving

tariffs, the building of railways and the drafting of agreements between the government and railways, this is a fair guarantee in the circumstances. The mine will spend $21 million to build a plant at Pine Point, and Cominco will spend $16 million to enlarge its smelter at Trail. We feel that these two companies are taking a risk. We feel that if they produce at that rate for ten years there is no reason to believe that immediately after that period the traffic will drop off. I think the agreement for ten years is a fair agreement. This is the agreement that is usually concluded in the trade with respect to the period of time and the amount of concentrates.

Mr. Chevrier: In his statement the minister said this was a fair risk, and he has now repeated that comment in another form by saying it is a fair agreement. Is that as far as the minister will go in qualifying the financial soundness of this agreement?

Mr. Balcer: As I said earlier, if we take into account the general situation it will be seen to be a very good agreement. I think it is a calculated risk, and that the people of Canada will appreciate that the government has entered into this venture.

Mr. Pickersgill: I wish to make one or two observations based upon the minister's disclosure this morning that in order to cover not merely the maintenance and operating cost but also the amortization of the capital this railway would require to ship approximately 800,000 tons of concentrates a year.

Mr. Balcer: If there were no other shippers.

Mr. Pickersgill: Yes, I will give the condition. I understand that this calculation is based on there being no other traffic. This is a good hard measure—it may not be accurate, of course; it is an estimate, and we recognize that—of the amount of traffic in one form or another that this railway will have to get in order to give a return to the people of Canada. Even though the treasury will not get the capital back directly, presumably it will get it back in indirect benefits through taxation and through reduction of the deficit of the C.N.R., and in that sort of way.

Mr. Balcer: I am sorry; I do not like my hon. friend to be under the wrong impression. It is the amount that would be derived from the shipment of 800,000 tons of concentrates that would completely amortize the $86 million. It is not the taxation, salaries and things of that sort. It would be strictly the amounts paid by the company—

Mr. Pickersgill: I understand that perfectly. There is no provision in the agreement indicating that it would ever come back to the treasury directly if 800,000 tons were shipped. The only way it could get back to the treasury is through the profits of the C.N.R. or incidentally in an even more indirect way through increased business producing increased revenues, which is a proper consideration. I do not object to it at all. I think we would never develop this country if on every expenditure we said we have to get the return directly. I have never argued that, and no one on this side has ever argued that, but we feel we must be shown there is either a direct or an indirect return. Therefore we really need a very hard assurance that in a reasonable period of time there is going to be traffic of this volume on this railway, or it is not going to make a return. In other words, we have a measuring stick now to measure this proposition in hard terms, namely 800,000 tons of concentrates or its equivalent in other forms of traffic.

Last night the hon. member for Peace River in a rather persuasive intervention—and one understands the incentives to persuasion in the case of the hon. member—sought to show what other traffic there would be on this railway in addition to the concentrates.

Mr. Pugh: At what page of *Hansard*?

Mr. Pickersgill: At page 8890. He quoted from the report of the mining commission. I have had a chance this morning to look at the case made by the hon. member for Peace River. He quoted from Mr. Anderson-Thomson, whose qualifications he described very flatteringly. I have never met him and I have no reason to believe he is wrong. In fact in most matters not connected with his riding I would accept the words of the hon. member for Peace River without much question, and I would accept his word about any facts at any time; but when it comes to accepting his opinions, that is another matter.

Mr. Pugh: I bet it is mutual.

Mr. Pickersgill: Well, I hope it is mutual. I would not expect the hon. member to accept my opinion, but I would expect him to accept my word on a matter of fact, and I am sure he would.

The hon. gentleman quoted testimony to the effect that from the potential agricultural traffic both the C.N.R. and C.P.R. can expect an addition to their gross revenues of $2 million per annum; not immediately, of course, but over a period of years that would be a reasonable period of calculating by a businessman. I take it that is what the hon.

member meant. I am seeking to make this case in the best possible way, because I want to be fair.

The hon. member then referred to lumber. He said there would be a total yearly revenue—this is not a quotation, and I hope the hon. member will listen very carefully because I want to be sure I am correctly stating the implication of what he said. Perhaps I had better read what he did say:

> He indicates that if the total potential of the annual allowable cut is developed, and I do not anticipate that this will happen at once, of course, there will be a total yearly revenue to the two railway companies of $3,600,000.

I do not know whether the hon. gentleman meant gross revenue to both railways, but I assume that since the only other figure was gross revenue to both railways, these are gross revenues. They are not profits; indeed, it is a nice question whether they would ever enter into the realm of profits at all. I feel that approximately $5.5 million of gross revenues from the only other two immediate sources in prospect—and that is not right away, and it is not just to this line mind you, but to the Canadian National and the Canadian Pacific all over the country—does not go very far to fill the gap between the 215,000 tons of concentrates and 800,000 tons of concentrates which the minister has indicated his officials consider are really necessary to make this a self-supporting undertaking.

This really points up what we were trying to get, that is precise and hard information that is wanted by my hon. friend from Laurier and me and others who joined with us. This is the point we were trying to make last night, that we should have more than a gleam in the ministers' eye. We should see a probability, not this year, not next year, but a probability, not a possibility, of traffic of this magnitude in order to justify this operation.

Mr. Baldwin: I calculated last night that the hon. member for Bonavista-Twillingate would in all probability make an estimate of the statements I had made. I will not say I did it deliberately, but I left out two other prospects for traffic which I now bring to the attention of the committee. If the hon. member will read page 86 of the report of the commission to which I referred him last night he will find that in addition to the lumber there is a potential of traffic generated by pulp which would be available from this area. I think the hon. gentleman can see that in due course this potential would justify six pulp mills producing 200 tons a day, which would bring about a yearly traffic of $12 million.

I think the hon. member will see on the same page that in addition, once you get to the stage where you have this amount of business generated you are bound to find that more people will be in the area. There will then be incoming traffic of manufactured and processed goods, the long haul type of carriage, from the central and eastern parts of the continent. As I understand the formula which has been worked out, the profit pattern of railway transportation indicates that manufactured and processed goods of that nature always yield the highest revenue. Therefore when you ship out $5 million to $10 million worth of goods from this area you are bound to have a situation where substantial traffic in processed goods, probably equivalent to the same amount of money, will be shipped in yielding that much revenue to the railways.

This, I think, answers the point raised by the hon. member for Laurier, that this is not the kind of railway where you have to wait until the last tie is laid and the last spike driven before there will be revenue. Once this line has been laid and completed for a distance of 75 miles—and I refer to 75 miles from the south, because I am assuming that is where construction will start—substantial traffic will immediately be generated. I think the cost will be very much less than the average of $170,000 a mile. There will then be railway traffic available on the first 75 miles, and the cost of the construction of that mileage will probably be less than $10 million. In the ensuing years there will be more construction and more traffic generated, both incoming and outgoing. All these are things which hon. members have not taken into account in their calculations.

I should like to refer hon. members to the report of the Gordon commission and the Paley report which, it will be recalled, was a report delivered some years ago to the president of the United States. This report was based on careful calculations of the indicated material requirements of the North American continent. The Paley report coincides pretty well with the Gordon report. They say it is inevitable that over the course of the next 15 to 25 years there will be required of Canada substantial quantities of these lead and zinc concentrates. Mr. Fitzpatrick, the president of Cominco, in a speech he made early this spring in Edmonton, said that in his opinion the opening up of Pine Point would probably lead to the development of the mine and the shipment of concentrates for a greater period than 25 years. This is the statement of a responsible man and indicates the premise on which his company is prepared to expend almost $40 million. Surely, Mr. Chairman, if there are indications of substantial traffic for a greater

period than 25 years, this should be an answer to the very pertinent questions which have been asked.

Mr. Robichaud: Last evening and earlier today we heard statements from the Minister of Transport in an attempt to justify the spending of $66 million of the taxpayers' money for the construction of a railway which could lead to the development of mineral deposits in the far north. I am sure the minister is aware of the fact that in 1956 the Canadian National built 16 miles of railway in northern New Brunswick under similar, but probably much more favourable circumstances. This railway has been used rarely, I think only for the official opening ceremonies.

We have in New Brunswick, in populated and inhabited areas, from 12 to 20 miles from deep-sea ports, over 10 million tons of mineral deposits which are awaiting development. A small portion of this amount could be spent to much better advantage to the taxpayers of this country if the government would, by means of tax incentives or other provisions, stimulate the development of the deposits that are located in these populated areas. Here we are considering the construction of a railway from 500 to 600 miles long which goes almost nowhere, leading to mineral deposits, and those concentrates will have to be transported about 1,000 miles or more before they can be processed.

I repeat that we have right in northeastern New Brunswick 100 million tons of mineral deposits which are idle now, awaiting more advantageous market facilities. I suggest to the minister, therefore, that serious consideration should be given to the provision of facilities for existing mines in areas to which access is easier.

Mr. Chevrier: There are two questions that I do not think have been cleared up to my satisfaction. One of them has to do with the traffic from the various points. I think it is quite clear that from Great Slave lake to Grimshaw, a distance of 438 miles, that is traffic which would belong to the new line; from Grimshaw to Edmonton over the N.A.R., 325 miles, the traffic is divided equally between the two railways; from Edmonton to Calgary, 233 miles, the traffic moves over Canadian National; from Calgary to Tadanac, 460 miles, the traffic moves over the Canadian Pacific. I do not believe it has ever been stated how the traffic will move from the various points to British Columbia ports. There are several lines, as the minister knows. There is the national transcontinental, there is the P.G.E. and there is the Canadian Pacific. What is the division of traffic in so far as the various British Columbia ports are concerned?

Mr. Balcer: My information is that it will be 50-50 between the two railways.

Mr. Chevrier: The other question that came to my mind was this. Have the provincial interests been approached at all in connection with the cost of this railway? By that I mean that sometimes when arrangements are not satisfactory to Canadian National Railways, in the financial sense, in connection with a railway of this nature, namely of a developmental character, the provincial authorities are approached to ascertain whether or not they would be willing, because of the natural resource development which will ensue in their province, to contribute a subsidy toward the construction of the line. Were the provincial interests involved here approached in that respect?

Mr. Balcer: Not to my knowledge, Mr. Chairman.

Mr. Pickersgill: I should like to refer to the first question raised by the hon. member for Laurier, the division of traffic to British Columbia ports. I was not a member of the committee, so I was not able to ask this question during the committee proceedings. I presume the reference here is to concentrates which would be shipped not to Trail or Tadanac but to British Columbia ports for export, presumably from Edmonton. I presume there would be no choice of route up to Grimshaw, and there would be no choice beyond Grimshaw unless a line were built to the P.G.E. Presumably the agreement says the concentrates will be shipped from Edmonton; I read the agreement once and I think it said something about a fair distribution or something of that sort. I must say that my opinion of what a fair distribution would be, having regard to the fact that the taxpayers are putting up all the money to build the railway, would be 100 per cent to the Canadian National Railways. If the taxpayers are going to put up this money, and if the only way we can get back a return on our capital is directly through a Canadian National surplus, I do not see why any traffic should go via the Canadian Pacific where there is a Canadian National line.

There is no Canadian National line between Calgary and Trail, so that traffic has to go by the Canadian Pacific. However, a firm undertaking seems to have been given that the Canadian National will get the traffic between Edmonton and Calgary. During the sessions of the committee on railways

air lines and shipping I asked Mr. Gordon a question about this traffic, and I am hoping that my intervention may have had some influence in making sure this traffic did go by Canadian National.

I have nothing against the Canadian Pacific; far from it. However, I see no good reason, if the taxpayers are going to put up the capital to generate this traffic, why the Canadian National should not get all the traffic everywhere it has a line. It seems to me this is one respect in which the government should insist upon this agreement being renegotiated in the interest of the taxpayers.

I assume that most of these concentrates will go to Trail. However, there may be an export market for concentrates beyond our smelting capacity in Canada. I suppose the government hopes there will be such a market or, at any rate, at some stage there is going to be more traffic. Surely we ought to make absolutely sure that all this traffic the C.N.R. can handle goes to the C.N.R.

It seems to me that this is a very serious defect in the agreement. If the C.P.R. were putting anything into this project, it would be another matter. However, they are not putting a plugged nickel into it. There is therefore no earthly reason why the C.N.R., if it has the capacity to do so, should not carry the traffic. I wonder whether the minister would comment on that aspect.

Mr. Balcer: As I said earlier, the fact is that from Pine Point to Grimshaw it will be all C.N.R. We all agree on that. On the N.A.R.—this is a jointly operated railway and there is nothing we can do about it—it has to go by N.A.R. From Edmonton to Calgary the situation is this. I can tell my hon. friend that there was a very substantial discussion that was carried on for a long time among the various parties to the agreement, and finally the government and the C.N.R. obtained agreement that all traffic between Edmonton and Calgary would be carried on the C.N.R. line which, by the way, is longer than the C.P.R. line to the same points.

Mr. Pickersgill: Not much. The rates are the same.

Mr. Balcer: That is a great departure from any usual practice in the circumstances.

Mr. Pickersgill: I think it is rather too bad that I did not ask Mr. Gordon another question in the committee last July. We might have obtained some arrangement between Edmonton and the coast. However, I think the minister ought to look at this matter again. After all, as my friend the hon. member for Laurier pointed out last night, the C.N.R.'s immediate concern is merely to cover its cost of maintenance and operation. The C.N.R. has no obligation to get any return on the capital. They do the best they can, no doubt.

After all, however, this is a pretty good deal for the C.P.R. and its creatures Cominco and Pine Point mines. We should not lose sight of the fact that between $66 million and $86 million of the taxpayers' money is going to be used for the immediate purpose of making a property owned largely by the C.P.R. a mine instead of a prospect. That is a fairly big plum for the C.P.R. If the taxpayers are going to do that, surely every ounce of traffic the C.N.R. can carry should go to the C.N.R.

Mr. Balcer: That is exactly what happens.

Mr. Pickersgill: No, it is not what happens. As far as traffic going to Trail is concerned that is what happens, but as far as traffic going from Edmonton to the Pacific coast is concerned, the minister told us it was to be divided 50-50 between the two railways. The C.N.R. has a railway that is, of course, a great deal better because the C.N.R. goes direct from Edmonton through Yellowhead pass. For the C.P.R. to carry this traffic it will have to go to Calgary through the Kicking Horse pass or away down through the Crowsnest pass. So in common sense there is no reason why any traffic going from Edmonton to the coast should go on any other railway than the C.N.R. I think the government should insist on this stipulation.

Mr. Balcer: I should not like to have given the committee the wrong information. I am not quite sure with regard to these concentrates for export. All I can say is that the C.N.R. are extremely pleased with the situation between Edmonton and the coast and believe they have a very favourable arrangement. Unfortunately, however, I cannot spell out what the agreement is as far as that part of the traffic is concerned. I know, for instance, that in the middle of the fight for the traffic between Edmonton and Calgary the C.N.R. were extremely keen on getting every possible bit of advantage as far as traffic was concerned, and they were pleased at the situation as far as the traffic between Edmonton and the west coast is concerned. I should not like to leave the committee with the wrong impression that the C.N.R. have given up any of its part of the shipments, as they were extremely pleased with the arrangement.

Mr. Chevrier: May I ask the minister to explain paragraph (a) of clause 6? It deals with the responsibilities and obligations of Pine Point mines. From this provision it would appear that the payments do not begin

until 1966, and also that there may not be an obligation on their part to pay the full amount of $20 million. Will the minister explain the subclause and also comment on the two points I have raised?

Mr. Balcer: As I said earlier in this debate, what is meant by subclause (a) is that in addition to $7.75 per ton, the mining company will also pay a special transportation charge based on the value of the concentrates shipped, starting three years after the commencement of production and extending for 10 years. This will not exceed $2 million in any year and $20 million over the whole 10 year period. At the anticipated rate of production and at average lead and zinc prices prevailing during the period 1951 to 1960, this contribution would aggregate $12,500,000 over the ten years. This amount is to be payable to the railway which in turn will pay it to the government. It constitutes a capital contribution by the mining company toward the building of the line.

Mr. Chevrier: Is this special transportation charge the minister speaks of the one referred to in schedule B of the agreement?

Mr. Balcer: That is right.

Mr. Chevrier: If you look at that schedule, you will find that if the value of the ore or concentrate goes below $64 they do not pay anything. Is that right?

Mr. Balcer: Yes, that is right.

Mr. Chevrier: Is the minister's figure of $12 million based on ore at $80 per ton or on ore at $70 per ton, or on a price between the two?

Mr. Balcer: As I said, the $12,500,000 would be the contribution of the company if we were basing the payments on the average lead and zinc prices prevailing during the period 1951 to 1960. If I am not mistaken this average price is about $90. I am not too sure on that point, but my impression is that the average price prevailing from 1951 to 1960 is about $90.

Mr. Chevrier: This clause states that the payments to Her Majesty shall not exceed $20 million. However, in referring to schedule B of the agreement the minister has now indicated that the special transportation charge, which I take it is the charge referred to in subclause (a), will bring in roughly speaking, based on the average price between 1951 and 1960, approximately $12.5 million. Where is the other $8 million or so going to come from?

Mr. Balcer: That is the point. The agreement is that this figure will fluctuate with the price of lead and zinc. Of course if lead and zinc reach a very high price it will make quite a difference to what the company has to pay. The company had no interest in paying this, but after long discussion they agreed to pay it as their share in the building of this line. It is a capital contribution, and we have agreed to a limit of $20 million. I think this is quite fair, if the average price for nine years produces $12.5 million—I would imagine that for the next ten years we cannot expect to go too fast—and if the price increases by that amount, so much the better. But we had to put a certain limit on it, and we thought in fairness to all the parties $20 million would be a fair limit.

Mr. Chevrier: Am I being fair in the interpretation of this agreement when I say that should the price of the concentrates go below $64, under this clause no money will be payable to Her Majesty as a special transportation charge?

Mr. Balcer: That is quite right.

Mr. Chevrier: Then if the price is between $70 and $80, which was the average price between 1951 and 1960, the government, Her Majesty, will receive in the neighbourhood of $12 million?

Mr. Balcer: That is right.

Mr. Chevrier: Finally, am I fair in saying that this might well be the full amount which Her Majesty will receive, and not the $20 million?

Mr. Balcer: Definitely.

Mr. Pickersgill: I should like to ask the minister whether the officers of the Department of Finance and treasury board scrutinized this agreement. The minister tells us that on the basis of the last ten years this clause would produce $12.5 million, yet parliament is given the impression that it is going to produce $20 million. Is that the measure of the inflation the Minister of Finance is expecting over the decade after this bill comes into operation? Because if it is, that is a frightening prospect indeed and is very different from what he said in his budget speech and speeches made elsewhere.

It seems to me that either the government have been trying to pull the wool over our eyes by putting in this $20 million when there is no real prospect of deriving much more than $12 million or $13 million, or they are expecting a staggering inflation over a short period, relatively speaking, as these things go. Of course if there is a staggering inflation of that description we will not be getting back the dollars we are putting into this, but dollars that are worth a great deal less. On the other hand, as the hon. member

for Laurier pointed out, if rather than staggering inflation we have a fall in the price of lead and zinc, which might easily happen if some of these protectionists in the United States have their way, we might get $8 million, $6 million or anything down to zero out of this.

When the minister talks about this being fair, it certainly does not seem to me that it is very fair to the taxpayers. This is by way of comment. However, I should like to put a question to the minister. I have read the agreement through once. I am not a lawyer. The minister is, and he can perhaps put me straight on this. There is a provision that the first charge on this special transportation fund is not the replacement of capital, but is to make good any deficiency in revenues to the C.N.R. That is to say, if less than 215,000 tons are shipped in any year, the special transportation charge goes first of all to the C.N.R. to make up this deficiency, and the crown only gets what is left over, if anything. Is that correct?

Mr. Balcer: If there is a deficiency under 215,000 tons.

Mr. Pickersgill: Is there any provision for making up that deficiency in the succeeding year, or does the taxpayer just lose it for good and all?

Mr. Balcer: There is a rider clause there. If the mine ships less than 215,000 tons they pay a fine of $7.75 a ton on the difference. If it ships more than that, this is set aside in reserve to meet the deficiency of the next year, if there is a deficiency. I do not think the Canadian taxpayer stands to lose anything. I am not quite sure whether I understood the question.

Mr. Pickersgill: It is very complicated. I know I do not understand this agreement; I say that to the minister at once. However, I do not think anybody should let this bill pass until we do understand it, even the more stupid of us.

Mr. Churchill: We will never pass it if we have to wait for you.

Mr. Pickersgill: I know, but the hon. gentleman will find it is probably just as well to wait in some of these cases. By waiting, a great many mistakes have been avoided in the past. It looks as though there is a real opportunity to avoid one right now. What I am trying to get at is this. If there is less than 215,000 tons shipped in any one year during the operation of this agreement, this money—what I call the $20 million—will not go to the crown; it will go instead to the C.N.R. to make up for the loss in freight. Is there any way of ever getting that back? Is this debited against the company and do they have to make it up the next year, or does it mean there is that much more lost to the treasury? Mr. Chairman, perhaps the minister would like to consult his officials on this matter.

Mr. Balcer: I will have to do that.

Mr. Pickersgill: I wonder whether the minister would at the same time ask his officials, so he can tell us at 2.30, precisely what the arrangement is between the two railways regarding traffic between Edmonton and the Pacific coast.

At one o'clock the committee took recess.

AFTER RECESS

The committee resumed at 2.30 p.m.

The Deputy Chairman: Shall clause 6 carry?

Mr. Pickersgill: No, Mr. Chairman. At the time of our adjournment at one o'clock the minister said he would give us an answer to two questions at 2.30. One concerned the arrangements made for traffic beyond Edmonton which would go to the Pacific coast, or anywhere else for that matter, rather than to Trail. The other question was set out in a statement in which I defined the matter carefully and at length, and perhaps the minister would just as soon define it himself this time.

Mr. Balcer: In answer to the first question, any traffic in concentrates out of the Pine Point mine only which goes to the west coast for export will be divided on the basis of 50-50 when it leaves Edmonton. All other traffic will be controlled by the C.N.R.

The second question asked by the hon. member related to subclause (b) of clause 6. First of all, I must say that the mine will be organized to produce a minimum of 215,000 tons annually, and it is expected there will be no deficiency. The whole agreement is based upon that. The whole undertaking among the various parties concerned is based upon the assumption that a deficit is not to be expected. However, if there should be a deficit in any particular year, the first money drawn upon is the credit which the mining company may build up through shipping more than 215,000 tons in one year. If there is still a deficit, the money deriving from the special transportation charge is drawn upon, and should there still remain a deficit the Pine Point mine has to meet the remainder at $7.75 per ton. There is also a provision that the credit built up by the mining company shipping more than 215,000

tons a year would go to repay, first, the amount of money needed to meet a deficit by the mining company and, second, to repay the government for any money drawn from the special transportation charge account. Third, it would be used to repay the mining company for any of the deficits to which it might have contributed at $7.75 a ton.

Mr. Chevrier: Dealing with clause 6, subclause (b), I understand this to mean three things; first, a guarantee to the C.N.R. by the mine; next, a guarantee to Her Majesty by the company of the traffic volume; third, a guarantee by Her Majesty to the railway to the extent of the payments referred to in paragraph (a). That is my understanding of the breakdown of paragraph (b) of clause 6. I ask the minister now if this means that the payments received by Her Majesty under paragraph (a) will be transferred to the C.N.R.

Mr. Balcer: No, only if there is a deficiency in one year and the deficiency cannot be met from the surplus accumulated in the previous year. If that is the case Pine Point railway can use the money—the special transportation charge—in the first instance and, second, the mine would have to start paying $7.75 per ton, as I explained previously.

Mr. Chevrier: What is the meaning of the following language in the first part of paragraph (b):

(b) a guarantee to the company by Pine Point Mines Limited, and, to the extent of the payments referred to in paragraph (a), by Her Majesty—

Mr. Balcer: That is it.

Mr. Chevrier: Does that mean that Her Majesty guarantees the C.N.R. to the extent of the payments it receives from Pine Point Mines?

Mr. Balcer: That is what I have explained. There are two guarantees given to the C.N.R. First there is a guarantee by Pine Point Mines and, second, a guarantee by the government. Everything that Pine Point Mines ships over 215,000 tons will be paid to the C.N.R. It will be a reserve. If in succeeding years there is a year in which there is a deficiency, the money that has been paid to the C.N.R. will be used to meet the deficiency. If there is still a deficiency in that year the balance will be paid by Pine Point to the government as a special charge. This special charge will be paid to the C.N.R. Third, if all this is not enough, Pine Point will have to pay a minimum of $7.75 a ton for every ton that is not shipped on the line.

Mr. Chevrier: From what has been said do I understand that if the traffic falls short of 215,000 tons per year the government then might well have to put up the money to cover the operating and maintenance charges of the C.N.R.? As I understood the evidence in the committee, the C.N.R. wanted to make sure of one thing, namely that it had sufficient traffic at a fixed freight rate to guarantee the operating and maintenance costs of the line. That was clearly explained in the committee and I believe is understood. If the traffic in this movement of cencentrates is not sufficient to pay the operating and maintenance charges of the line, the government under this clause will have to put up the money to cover the operating and maintenance charges of the C.N.R. Is that correct?

Mr. Balcer: Only up to the amount the government will receive from Pine Point on these special transportation charges I mentioned earlier. If the charge is not enough to meet the deficiency, then Pine Point railway will have to pay $7.75 for each ton shortage under 215,000 tons.

Mr. Chevrier: Might a contingency arise under this clause wherein the government would have to put up the operating and maintenance charges over and above the capital investment?

Mr. Balcer: No, this cannot happen. As I explained earlier, the only thing the government could be called upon to pay is what the government has received from the mine as a special transportation charge. That would be the limit. Over and above that, payment would be made by Pine Point Mines.

Mr. Chevrier: I wish to say respectfully to the minister that that is not the way I interpret paragraph (b), which I shall place on the record again:

(b) a guarantee to the company by Pine Point Mines Limited, and, to the extent of the payments referred to in paragraph (a)—

That is the $20 million. I continue:

—by Her Majesty—

That is a guarantee by Her Majesty. I continue:

—of such traffic volume over the railway line as will, in the opinion of the company, be sufficient to ensure recovery of the cost of operating and maintaining the railway line—

In my opinion that language means that if there is not enough to be derived from the special transportation charge the government will have to pay the operating and maintenance charges of the C.N.R.

Mr. Balcer: I am sorry, but my hon. friend is under the wrong impression. In this paragraph there are two guarantees. The first is a guarantee by Pine Point Mines to the C.N.R., and the second is a guarantee by the government to the C.N.R. The agreement outlines in detail what the guarantee is from both

sources, the mine and the government. As I explained earlier, it is set out in the agreement. First, the deficiency is met by drawing on the surplus of the previous year, if there is a surplus and if it is large enough to meet the deficit. If a surplus does not exist or if it is not large enough, the government is called upon to draw on the special transportation charge that has been paid by Pine Point, and if that is not enough the government does not have to pay one cent more. What is paid in addition to that will be paid by Pine Point Mines.

Mr. Pickersgill: Mr. Chairman, I wish to put a case which no one expects will arise—

Mr. Baldwin: Mr. Chairman, may I be recognized?

Mr. Pickersgill: Mr. Chairman, I wish to follow the precise point dealt with by the minister.

Mr. Baldwin: I also wish to do so, if the hon. member will bear with me. I wish to put a simple question to the minister. Under this paragraph there is recourse to the government, but there can be recourse to the government only to the extent of the special transportation fund which has built up. The railway may have an opportunity to draw upon the amount which is refered to in section 3 of the agreement, which is the revenue received by the railway from the industry and its suppliers applicable to the carriage of freight and merchandise other than ore, and also the revenue received by the railway from other mining companies applicable to the carriage of all types of ore and concentrates. Only if those two sources are exhausted will there be recourse to the amount of the special transportation fund which has been built up. Is that not correct?

Mr. Pickersgill: The hon. gentleman has simply said in other words what the minister has already stated. I wish to put to the minister what I might describe as an extreme situation, and I shall do so whenever I have the minister's full attention. The extreme situation I wish to present is this. Suppose the mine does not operate at all. In that case there will be no special transportation charge, because it arises out of the price of the concentrate and its volume. In those circumstances there will be no traffic if the mine does not operate during the 12 month period. The minister had better not say this is theoretical because it was not theoretical in New Brunswick, which is a great deal nearer the markets than this other place. In that case is the company obliged none the less to pay to the C.N.R. the amount of money realized by multiplying 215,000 tons by $7.75 a ton in that year.

Mr. Balcer: Exactly.

Mr. Pickersgill: That is absolutely clear?

Mr. Balcer: Absolutely clear.

Mr. Pickersgill: If there is no production at all the company is still obliged to pay 215,000 times $7.75?

Mr. Balcer: Unless there is an accumulated surplus from the previous year.

Mr. Pickersgill: Quite. I want to put another question to the minister. In his explanation of this very complex matter the minister did indicate that if in a 12 month period there was somewhat less than 215,000 tons shipped and there was no surplus from any previous year, the next way of meeting the deficiency of the C.N.R. would be from this special transportation fund. Suppose that happens in the very first year, is that an airtight compartment, that first year, or does the special transportation fund recover in the second year what is used by the C.N.R. instead of the crown for the first year?

Mr. Balcer: I am not too sure that I understand my hon. friend's question correctly.

Mr. Pickersgill: Let me put it arithmetically.

Mr. Balcer: I think I can clear it up by stating that the special transportation charge is the charge that will be paid by the company over a period of ten years, beginning in the third year after the start of the operation. With respect to anything that is shipped during the ten years, whether it is surplus or deficiency, at the end of ten years the government will make up the total and a special charge will have to be paid, or a special contribution charge will have to be made, by the company as a contribution to the capital of the line.

Mr. Pickersgill: Suppose—this might happen, sir—there is a deficiency every year in the whole ten year period so that in every year some of the special transportation charge which in the normal course is supposed to go to reduce the capital cost has to be used for operating and maintenance. At the end of the ten year period, as I see it, the agreement is over; whatever part of this fund has had to be used to meet those deficiencies, the crown loses.

Mr. Balcer: If there is no money from the special transportation charge it is estimated that the cost of the line will be $86 million.

But if a special transportation charge has to be paid by Pine Point and it is not drawn upon too heavily by the deficiency that we are talking about, then it will be $86 million less what is left in the special transportation charge.

Mr. Pickersgill: But the minister did seem to suggest at one stage that if this fund needed to be drawn upon in one year there was some way of recovering that amount in a subsequent year. Would the minister explain how it is done?

Mr. Balcer: Yes. First of all, it will be the reverse operation. I am getting all mixed up now; it goes backward. First of all, it is the amount of money contributed to meet a deficiency by the mining company. That will revert to the government. Second, it will be repaid to the government for any money drawn from this transportation charge. Third, it will be a repayment to the mining company. I am not quite clear there.

Mr. Pickersgill: Perhaps I can give a hypothetical illustration to the minister, that would perhaps clarify the matter. This is very important. Suppose during the first year—I take the first year so there will not be any complications about what was done before—instead of being able to ship 215,000 tons they are 30,000 tons short and ship only a 185,000 tons. They will have to draw on the fund. Suppose the price of concentrates is fairly good and they have quite a lot in the special fund. They will draw on the fund 30,000 times $7.75 to make up this deficiency. Well, if in the next year they are able to ship 245,000 tons, would they pay freight at $7.75 on that 245,000 tons, and would the extra money go back into the special fund? Is that how it operates? I am trying to assist the minister.

Mr. Balcer: Yes.

Mr. Pickersgill: I would like to be sure about this.

Mr. Winch: Mr. Chairman, this matter becomes more and more confusing. We actually started this debate at around eight o'clock last night and we are still on it. I should like to ask the minister just one question. In view of the bill and the contractual agreement among the government and other parties, in order to simplify the entire situation, why was this not considered by the government as a straight capital expansion of the Canadian National Railways and dealt with as such, with an agreement that certain money would come back to the government because of the help it was going to give Consolidated Mining and Smelting Company through the medium of the Pine Point railway. Would it not have been a lot easier to deal with this thing as a straight capital expansion of the Canadian National Railways?

Mr. Balcer: Mr. Chairman, the reason the bill is based on such an agreement and that we did not take the very simple way mentioned by my hon. friend is precisely that the government wanted Pine Point Mines and Cominco to come into the picture and guarantee a minimum tonnage to be shipped from this mine every year. We also wanted this mine to contribute to the operation, the maintenance, and part of the capitalization of this railroad.

Mr. Winch: What the minister is saying now is that if this had been made a straight capital expenditure by the C.N.R. we could not have made that kind of arrangement with the Pine Point corporation.

Mr. Balcer: It could have been done. The C.N.R. is a crown company. It still would have been the Canadian taxpayer who in the long run would have been called upon to pay the capital cost.

Mr. Winch: They are stuck no matter how you do it.

Mr. Balcer: Yes. To reply to this matter of the taxpayer being stuck, I think it is quite proper to read from the brief presented to the Gordon commission, by the commissioner of the Northwest Territories as follows:

> A railway to Great Slave lake will not be just another railway. It is not a railway to a lake or to open a mine or to serve a community. A railway to Great Slave lake will be one of the great development railroads of the country. It will not bring population to the Northwest Territories to the same extent that the western railroads brought it to the prairies, but it may well bring in the years ahead of comparable increase in the wealth of Canada. This railway is quite different from most of the branch lines constructed in recent years which were destined to serve one mine, or a group of mines; its purpose is to open up a whole new region. The fact that there happens to be a potential mine of great value at its northern terminus is a piece of great good fortune, for it will enable this railroad to be built without the long wait for reasonable returns which so often has been the lot of a pioneer railroad.

I quite realize that the Pine Point mine will not pay the whole capital cost of the railway or for the operation of this railway. On the other hand, the Pine Point mine will make a very large contribution to the cost of operation and maintenance of this railway and will contribute, as well, to the capital cost of this line. I sincerely believe, therefore, that, using the arguments that have been put forward by Mr. Robertson, this is a railroad that is completely different from the other railroads that have been built in the past, or from the branch lines we are building, like the Mattagami line. The government will not be called upon to

pay one cent for the Mattagami line because that railway is being built to serve one mine. Of course it is a much shorter line, too. This railway is a long one, and I think when you consider all the potentialities of the area we are justified in building it. We are fortunate that at the end of this line there happen to be deposits of lead and zinc which can be called upon to contribute to the cost of this undertaking.

Mr. Chevrier: Is it not a fact, notwithstanding what the minister said and in answer to a question which was addressed by the hon. member for Vancouver East, that the Canadian National Railways were not interested in making the kind of agreement that is set out here, or in making the kind of agreement which they made in the case of the Mattagami railway? If the Canadian taxpayers were not part and parcel of this agreement the Canadian National Railways would never have gone along with it, because they do not think it is a profitable venture.

Mr. Balcer: I agree with that entirely.

Mr. Flemming (Royal): The observations I have to make in connection with the bill now before the committee are brought about by the observations made by the hon. member for Gloucester this morning in connection with ore bodies of a similar nature to the ore body at Pine Point which exist in the northern part of New Brunswick. He mentioned that there were about 100 million tons in the two ore bodies in his own county. I would take exception to his estimate of the quantity, because I think it is much more than 100 million tons. As I recall, there are various ore bodies running into much larger quantities than those mentioned by the hon. member for Gloucester.

My feeling in connection with the bill before the committee is that we have to recognize that we are living in a very large country, a very rich country in so far as natural resources are concerned. I believe the hon. member for Peace River referred to the Paley report, and the fact that it indicates that in the years to come there will be a greater demand for lead and zinc than the available quantities of these two commodities would supply.

I support the hon. member for Gloucester to the fullest extent in so far as bringing to the attention of the committee the need for development in New Brunswick. I believe, however, the premier of New Brunswick has already announced that arrangements will be made shortly for the development of the mines situated in my hon. friend's constituency. It seems to me the committee might take into consideration this fact, that I see no particular reason for considering there is any conflict between the production of lead and zinc concentrates in western Canada and the production of those concentrates in eastern Canada, I am one of those who feel that there is a need and a place for all the natural resources that can be developed, and which we have in great abundance. I for one do not think progress was ever made by being pessimistic. I do not think progress is made by pessimists. I think we must have some courage and some faith; we have to go ahead and develop our country in the west, in the north, in the east and wherever we may have the opportunity and the natural resources at our disposal.

I suggest, therefore, there is no conflict between ore bodies in New Brunswick and ore bodies in Alberta or in the north. I think there is a need for all of them, and there is room for all of them. We as members of parliament and members of this committee might very well consider that we have every reason to be thankful that this country has natural resources in such volume.

Mr. Pickersgill: Mr. Chairman, the Minister of Forestry has spoken with his usual moderation. I am not surprised that he is very moderate, almost tepid in his enthusiasm for the bill that is now before us. I think I would be too if I were on the treasury benches at this time. If I were on the treasury benches I do not think the bill would be before the committee.

Some hon. Members: Oh, oh.

Mr. Pickersgill: I do not say there would not be a bill before the committee, but it would not be this bill with this agreement. I say that without any hesitation whatever. While I can readily agree with the Minister of Forestry that there should be no conflict between the development of mines in the east and the development of mines in the west, I think he will agree with me that there should also be equality of treatment.

One of the things that an investor in a mine takes into account when he makes his investment is the proximity of the mine to its market. This is one of the things that I, at least, would consider if I were going to invest in a mine. However, the market is not going to grow any more because we develop two mines in Canada rather than one. It will grow because there is an increasing demand, and not because there are more mines, unless the price is lowered so that the demand is increased in that way.

There is no doubt that this bill makes it possible for one company, having one mine in one place, to proceed with the development of that mine. Whatever the ancillary and

secondary developments may be—and if we are going to construct this line I hope there will be lots of them—I think they are highly speculative. The only shipper willing to sign an agreement to ship anything on this railway is this mine, and I am sure if there are others we would have been told about them. This is the only shipper the C.N.R. now have. All they have in addition are a number of prospects. The hon. member for Peace River in my judgment did not improve his case, or perhaps I should say that from my angle he did not improve his case very much, by talking about additional pulp mills. The Minister of Forestry and I know how difficult it is to get pulp mills and paper mills established, and I do not think either one of us would be very much impressed by the kind of pulp and paper mills a member of parliament can establish in his constituency in a debate.

I should like to see a dozen contracts, even poor contracts like this one, between the C.N.R. and potential shippers, at least something concrete as to some kind of traffic. But to come back to this point I was making, may I say this. What we will do if we go ahead with this bill is to pay from a maximum of $86 million to a minimum of $66 million of the taxpayers' money for which we are to get no interest and no repayment directly, merely to make it cheaper than it otherwise would be for ore of this one company to be moved into the market.

What is the government going to say to every other mine in Canada, for instance to mines that are a good deal nearer the market? What about the people in this Mattagami case that we dealt with this session, who are to pay every dollar of the cost of the railway? Why should they do that? Why should Mr. Jules Timmins and the Iron Ore Company have had to build their railway entirely by themselves and raise all the money to get that iron ore out—and it was a stupendous undertaking—and then have the treasury come along and do this with another company?

The Lynn Lake deal was not like this deal. The deal this government made with the International Nickel Company in northern Manitoba was not like this deal. The thing that really troubles me is how we or this government or this parliament are ever going to face any other company with a mine unless we give them just as good terms as this one is going to get. That is basically the problem.

Perhaps there is not much profit in trying to go into all the details of section 6, as this whole agreement from start to finish, as far as the mine is concerned, is on a basis of heads I win, tails you lose vis-à-vis the treasury. One would at least have expected that since the company has so many safeguards given to it, if it turned out much better than had been expected a little of the gravy would go into the treasury. However, it seems that once the railway gets paid for the maintenance and operating costs the freight rates are to go down, the company is to get all the benefit, nothing is to come back to the taxpayers. If we are going to go into this proposition which is a real example of socialism as I said last night it is an exercise in socialism and very one sided socialism—I think it would probably be a great deal better for the C.N.R. also to take a share in the mine and, if the thing is going to pay, get some of the profits out of it. But according to what we are saying now, we are going to provide the transportation. We hope to get back the cost of maintenance and operation, but we are not even sure of that. We give up all idea of ever making any real profit out of this project unless there are many other shippers. But if the company make any profit they take it all and the treasury gets nothing. It seems to me that this is as one sided a deal as has ever been put up to the taxpayers of this country.

Some hon. Members: Carried.

Mr. Balcer: Just before it carries may I say this. I should not like the committee to be left with the impression that my hon. friend was trying to create, namely that this is a special deal for this mine that was refused to other mines, and all that sort of thing; that this mine has special treatment, and that we are building this railroad just for this mine. This mine happens to be at the other end of this railroad, as I explained earlier, and we are charging a special rate to the mine which is much above the normal rate the mine could expect to pay on any other line across Canada. We are calling upon this mine to contribute to the building of this railroad which has as its primary purpose the development of a brand new area of Canada which is full of promise and which has such a bright future for the population of Canada.

Mr. Chevrier: Before this clause passes I wish to protest again about the manner in which the clause interprets the agreement. I do not think clause 6, with its three subparagraphs, fully interprets the agreement as set out among the parties. While it is an attempt to summarize what is in the agreement, nevertheless it is a very poor summary. As I said earlier, this is a very complicated agreement which has been prepared by topnotch lawyers of this country acting on behalf of three of the parties. To have tried to implement it in these three subclauses in the manner in which it has been

done is, in my opinion, not fair to the House of Commons any more than it is fair to the taxpayers of this country.

Mr. Balcer: I very much resent those remarks, Mr. Chairman. Actually, I have never seen in any bill for a branch line any statement about the rates that shippers are going to pay or anything like that. It has never been included in a bill of this type. The bill is not a résumé of the agreement. The bill states some conditions which are required to be fulfilled before the government undertakes the building of this railroad. This agreement has been drawn not by topnotch lawyers of three companies but by the lawyers of four parties, and the first of the four parties was the government of Canada. As my hon. friend says, we had our topnotch lawyers, who are just as good as the other lawyers and who fought just as hard as they did.

I think it is a good deal for the government and for the C.N.R. There is no secrecy about the matter. The agreement was tabled. The agreement has been in the hands of the opposition. It is open to the press or to anybody. What are stated in clause 6 are the principles on which this line is going to be built. In the past it has never been the practice to give the rates for traffic on a railway line in any bill for any branch line in Canada. We have followed the practice that has been established in this House of Commons.

I think this bill is clear. We have protected the interests of the taxpayers, the Canadian government and the crown owned company, the C.N.R. I sincerely believe that the bill is drafted in proper fashion, and also that the agreement is a very good one as far as the government and the C.N.R. are concerned.

Mr. Chevrier: I am sorry the minister resents the remarks I have made, but so far as I am concerned they are on the record and they remain just as they are. The minister has said that they have been following the established practice. May I say to the minister that they have not been following the established practice. In committee and in the house the minister has stated that this is not the kind of agreement that has been made in former days, that this is an extraordinary agreement. The minister said that.

Mr. Balcer: It is the first time that an agreement has been given to the House of Commons.

Mr. Chevrier: It may be true that this is the first time an agreement has been given to the House of Commons, but it is an agreement that is entirely one sided.

Mr. Balcer: No.

[Mr. Chevrier.]

Mr. Chevrier: What I say is being done is this. The minister or the officers who prepared this bill have simply followed the ordinary pattern of former railway bills, and that is why I say clause 6 is not sufficient. That is why I say clause 6 does not give the house or the Canadian taxpayer any idea of what is contained in this extraordinary agreement.

Mr. Baldwin: That is not correct.

Mr. Chevrier: It would certainly take more than these three subclauses to do that. I am glad the minister has repeated that there is no secrecy about this agreement. I am going to remind the minister about that statement in a little while when we come to another clause, because I think there may be more to be said about it.

There is no deal by Canadian National Railways or by the government, as far as I know, that is similar to this one. If there are, let us have them. I am sure if there had been any the minister would have detailed them to the house. I am not familiar with all of them, but I am familiar with most of them. Each time there was a guarantee given the Canadian National Railways by the mine for a fixed amount of traffic which would pay not only the operating costs but would go beyond that. In this case there is no provision whatsoever for the amortization of the capital involved. Mr. Chairman, I rose originally to protest against the fashion in which clause 6 of this bill seeks to summarize what is in the agreement among the four parties.

Mr. Balcer: Mr. Chairman, perhap the hon. member is right when he says this bill contains clauses that are different from clauses that have appeared in previous bills. However, I must tell him that this bill is complete. It states that other payments are going to be made; it states the type of guarantee we are going to have. As far as details are concerned, if we detailed how much is going to be paid for each ton, and so forth, we would have pages and pages of these freight rates, and I do not think they should be included in this bill.

The hon. member says this is a very poor bill; that it does not give the information that is needed; that it does not guarantee that the taxpayers' money will be properly used, and so on. If my hon. friend is against the bill, he can vote against it. I cannot go any further than the explanation I have given.

Mr. Pickersgill: Mr. Chairman, we have heard in plain, unvarnished language, such as we never heard in this house during a very celebrated debate in 1956—I never heard it

from the treasury benches—that the opposition has no right to information about the bill before the committee, and if they do not like it they can vote against it. That is a new concept of parliament that the minister has put forward.

Mr. Ricard: You are twisting the facts and the words.

Mr. Pickersgill: In other words, "You are not allowed to know how much you are committing the taxpayers to. If you do not like this bill, vote against it".

Mr. Speakman: There is the agreement.

Mr. Pickersgill: There is the agreement, but it is not part of the bill. As my hon. friend from Laurier has shown, the agreement is not adequately reflected in the bill.

Some hon. Members: Oh, oh.

Mr. Speakman: Are you questioning the draftsmanship?

Mr. Pickersgill: I could carry that a little further, but I will not. I hope, Mr. Chairman, I will be allowed to make my points and make them consecutively. We have been seeking to get an explanation from the minister about this clause since twelve o'clock, I think, or a quarter past twelve. That is not a very long time in which to consider the details of an expenditure of $86 million, practically none of which is going to be recovered. It is not a very long time in which to be considering the commitment to the expenditure of that sum of money. I say it was impossible for the minister to explain to me—and I do not think I am very much more stupid than the average Canadian taxpayer—

An hon. Member: Oh, no?

Another hon. Member: Don't pat yourself on the back.

Mr. Pickersgill: It was impossible for the minister to explain to me, and he finally gave up himself, how this special transportation fund would be drawn upon to meet a deficiency in freight rates in one year that was to be repaid to the treasury in a subsequent year. The mechanics of that are not spelled out in the bill, and even the minister was not able to explain them. The hon. member for Peace River tried to help him a bit, but I do not think we were very much wiser when he was finished.

I have read the agreement myself. Hon. members of the house who are learned in the law, as I am not, have read it, some of them several times. It does not appear to be clear how this money, if it is to be paid back in a subsequent year, is going to be paid back and where it is to come from. Surely these things should be clear. Surely we who are the trustees of the treasury of this country are entitled to know these things. We are entitled to understand them fully, clearly and comprehensively.

I asked the Minister of Finance this morning to explain to us what his estimate was of how much this was going to cost the treasury. He refused to answer. Well, he did not answer the question; he simply remained in his seat, and then walked out before I had a chance to repeat the question. I suspect the Minister of Finance just hates this bill and does not want to be in the house. Certainly if I were minister of finance and were facing a deficit of $600 million to $700 million in the current fiscal year, and one of my colleagues was introducing a bill to expend $86 million on which there would be no return of any kind before 1966, and no return of the capital or of service on the capital at any time in the future, except for what is provided for in clause 6 (a) which, according to the present prices of lead and zinc would be about 12½ million, less the amount that might have to be used to meet the deficiency in freight revenues—and nobody can speculate what that might be—I would not be very happy when the bill was introduced.

Mr. Ricard: Call the vote; then we will know.

Mr. Pickersgill: It is very easy to say "Call the vote".

Mr. Ricard: Call the vote and we will know how you stand.

Mr. Pickersgill: That was not the kind of language heard from this side of the chamber in 1956. The desire then was not to call the votes; the desire then was, professedly, to debate a bill. That is the desire now, to debate this matter until it is understood, until we know what it is about, and until the people of Canada know what it is about and what is really being done. If they want it done, of course it should be done; but it should not be done in the dark, and the opposition should not be told "Well, vote on it, blind".

The minister has made a great deal—I have not said much about it up to now, but I think his last intervention makes it necessary to say something—of the fact that this draft agreement is of a character that was never made available before. I have not checked the records so I do not know whether that is the fact. However, I think that is utterly irrelevant. What is relevant, though, is that on the first day of the resumption of the session in September my hon. friend from Laurier, if I remember correctly—

certainly someone on this side of the house —asked the minister if in order to facilitate debate on this measure he would table this agreement then. The agreement was ready. The minister admitted that; he said it had been finalized.

Mr. Balcer: No.

Mr. Pickersgill: That is in *Hansard*. The minister said it had been finalized, but he would not make it available to the opposition. This is not a strategic matter; there is nothing secret in it. The request was made plainly and reasonably. It was made again at the second reading stage of the bill. On both occasions the government declined to make it available, and did not make it available until hon. members were actually in committee, and then only to the hon. members who were in the committee.

I say there is no reason on earth, if the government had been respectful of the rights of the opposition or of the rights of any hon. member, why this document should not have been put on the table the day we came back here so there would have been time for people to be properly informed about this bill, so that when we met in committee those who were members of that committee—and I was not—could have asked all the questions which should have been asked instead of having the kind of debate we have been obliged to conduct in this chamber. Even with this kind of debate, the information we have been given is such that it really is almost incredible that any government should consider proceeding in the circumstances.

The minister said we are building a railway which just happens to have this mine at the end of it—a mine which is going to provide the railway with some traffic. Well, if that mine was not at the end of this railway, everybody in the house knows that this bill would not be before us. If that mine was not there, if that semi-assured traffic was not there for ten years, this bill would not be before us at all. I point out that there is no assurance of any other traffic. There is speculation about other traffic, and I have no doubt there will be other traffic, though I have a great deal of doubt about what the volume of that traffic will be. However, I am not recommending the bill to the house; this government is doing that. The minister has indicated to the committee that four times the amount which is now semi-assured to the railway would be needed in order to amortize the cost of this operation. It seems to me that the government should have something concrete in sight and not merely speculative suggestions as to what the future traffic might be before it embarks on this venture. I say this because $66 million or $86 million, whatever the cost turns out to be—and it may be more than that—is a great deal of money to spend even today when there is to be no direct reimbursement and no servicing of the debt. There are so many things in so many parts of this country which could be done with that money. It will not be spent twice, and that is why it is frightfully important for us to make sure that we are spending it in the best possible way.

Clause agreed to.

Clauses 7 and 8 agreed to.

On clause 9—*Report to parliament.*

Mr. Chevrier: I am reminded of the statement which the minister made a while ago that there was no secrecy respecting the agreement and the arrangements made between the parties. In the light of the fact that this is not an agreement of the ordinary kind, I intend to move an amendment to this clause and I hope the minister will have no objection to it.

I am familiar with the type of statement which the minister is required to file under clause 9. This is the type of statement which is usually filed within a fixed period of time after the opening of a session of parliament in connection with other railway lines. But this arrangement has some extraordinary features about it. For example, this is the first time an agreement has been produced. Then again, there is the fact that there is no secrecy about it. In these circumstances it would seem to me that the minister should have no objection to tabling, over and above the information which he would normally impart to the house, an annual report on the operation and maintenance of the line together with a statement showing the net capital investment. With this in view, I move:

That clause 9 be amended by adding at the end thereof the following:

and after completion of the line an annual financial statement on the operation and maintenance of the line together with a statement showing the net capital investment on the said line.

Mr. Balcer: We have no objection to this amendment, because the money which would be paid on the part of the government would be drawn from a vote in the estimates of the Department of Transport. At that time the house would have had every possibility of discussing the matter at length. With the assistance of my officials I could have produced all the information needed. However, I shall be glad to give this information.

Amendment (Mr. Chevrier) agreed to.

Clause as amended agreed to.

Title agreed to.

Bill reported.

The Acting Speaker (Mr. Chown): When shall the said bill be read the third time? By leave, now?

Some hon. Members: Now.

Mr. Balcer moved the third reading of the bill.

Hon. Lionel Chevrier (Laurier): We have had some discussion over the last few days in connection with this bill. We on this side of the house have not been satisfied with the agreement which is referred to in the bill and with the contents of the agreement itself.

I wish to make it clear, however, that our position as far as the principle of the bill itself is concerned remains unchanged. I stated on the resolution stage, as I stated on the second reading of the bill and as I state again now, that we are in favour of the construction of the railway line into this northern area but we are not in favour of this kind of bill. We are not in favour of this agreement for many reasons, first, because the railways and the other groups who were approached to build this line turned the proposition down. We are against this agreement because it favours very clearly those persons involved in the agreement as against the crown and as against the taxpayer. We are against the agreement because the government and the taxpayers receive absolutely nothing for their investment—there is no amortization of the capital, there is no amortization of the interest during construction. The minister, himself, has stated that this is an extraordinary kind of agreement. If it is, then some attempt should be made in our estimation to recoup the capital by way of amortization. This has been the practice not only in connection with other railway lines but also in connection with many other public projects in this country. I do not wish to go into this now but there are many examples of projects where the taxpayer's money has been advanced and where that money has been amortized over a period of years, but not so in this case.

It has been clearly stated that the survey is not yet completed and will not be until the end of the year. The survey upon which the estimate is based is not yet completed. How then can there be a clear and intelligent estimate of the cost of this line? Surely parliament and the taxpayers are entitled to know what the cost will be. Neither the minister nor the witnesses in committee were able to give a clear indication of what this railway is going to cost. As a matter of fact, the borings on the line and the bridge have not yet been taken. I understand there is a bridge which must be built and where of necessity borings will have to be taken. If it is a fact that the survey will not be completed until the end of the year, what possible injustice could arise from the postponement of this bill until such time as the survey is completed and the estimate upon which we must base our decision made known?

The Prime Minister has indicated, although perhaps not officially at least semi-officially, that parliament is to meet again early in December. The survey will not be completed by that time. What injustice would be done to anyone if this bill were postponed until that time? When parliament meets in early December the government could come forward with a bill containing an accurate estimate of the expenditure involved in this matter.

I wonder what hon. gentlemen opposite would have said when they sat on this side of the house if we had brought in a measure of this nature without knowing the estimated ultimate cost and without having facts upon which to base an estimate of the cost of the project? That is exactly what is taking place here.

It was clearly established as far back as 1956 that the estimated cost of this project would be between $50 and $55 million. We have not yet been told why the estimate of the cost has been increased from $50-55 million to $75-86 million. The latter figure is only a guess because the witness stated that the person who was able to inform us about the cost was on the line and would not appear before the committee as a witness. It seems to me that no great harm would befall the area concerned if this matter were postponed for a couple of months.

Since the survey upon which is based the estimate of the cost of this line is not yet completed and will not be completed until the end of this year there would be no delay in building the railway line if this legislation were not passed now and if a new bill were introduced at the next session of parliament. As I have said at all three stages of our consideration of this bill hon. members on this side were in favour of the construction of a railway line in this area. We are, however, against this bill and this agreement. We favour construction of a railway but as members of the opposition it is our responsibility and duty to carefully scrutinize the agreement. Since there would be no delay in constructing the railway as a result of what we propose and since no one will be hurt in any way whatsoever if we were not to approve the bill in its present form, under the circumstances I move the following

amendment to the motion, seconded by the hon. member for Bonavista-Twillingate:

That the word "now" be left out and the words "this day six months hence" be added at the end of the question.

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, I wish to say a few words on the amendment. My hon. friend has moved that the bill be given a six months hoist which indicates that hon. gentlemen opposite wish to get rid of this bill. The hon. gentleman said he feels it is too early to proceed, that we should wait for the completion of the survey, that it is an awful thing that the bill should have been introduced while the survey remains incomplete. I feel it is exactly the opposite, that the government should be commended for bringing in this legislation while the survey is under way.

We are forced to base our figures on an estimate which in the long run may perhaps not be exact but there is nothing to prevent our correcting the estimate when the survey is finished. The sooner the survey is completed and the legislation passed, the sooner will a few thousand Canadians be employed in constructing the line. I feel this is a valuable reason for our proceeding with alacrity in a situation like this.

The hon. gentleman said he did not receive the information he sought. Last evening and again today I have endeavoured to answer not only the questions of fact but the large percentage of hypothetical questions which have been put to me by the hon. member for Laurier and the hon. member for Bonavista-Twillingate. Approximately 60 per cent of their questions were hypothetical and I have repeated the answers six or seven times. Even now the hon. member for Laurier feels he is not quite sure he understands what is meant by the agreement.

Mr. Pickersgill: I do not think the minister understands it.

Mr. Chevrier: I hope the minister understands it.

Mr. Balcer: I do not wish to repeat the arguments that have been used during the debate but in order that there should be no misunderstanding let me say this. I feel that this bill and the agreement embody a principle which is in the interest of Canadians and the country as a whole. My hon. friend treated very lightly the fact that a mine is located at the terminus of the railway. I remind the hon. gentleman of what was said by the commissioner of the Northwest Territories in addressing the Gordon commission, that this railway is a great developmental railway. It is opening up a new area in Canada. A new pioneer spirit is embodied in this undertaking. We are going to develop a part of the country that is rich in potentialities, especially mining, timber and agricultural resources. We are indeed fortunate that there is found on the shores of Great Slave lake, one of the world's greatest lead and zinc deposits and that we have succeeded in having the owner of this mine enter an agreement under which there will be paid rates far above the normal rates and also special charges to help us meet the capital costs of this great project.

The hon. member for Bonavista-Twillingate was hurt when we said, "If you do not like it you can vote against it." What we meant was that the opposition was just trying to carry on this attitude of theirs of criticizing everything and tearing it apart, to try to say that what we are doing is absolutely wrong; but they do not dare face the people and say that they are against such and such a big undertaking that is put forward for the development of Canada. I think this Pine Point railway marks a milestone in the history of the development of Canada, and of the north in particular, and I recommend to the house that it vote against this amendment because it would simply be putting off this great project. If the amendment is passed it will mean the killing of something that will definitely bring a lot of good eventually to the Canadian people.

Mr. J. F. Browne (Vancouver-Kingsway): Mr. Speaker, before we vote on this amendment may I as a member from western Canada say that I feel I must rise and express the shock that I experienced at the incredible lack of confidence and faith in the future of western Canada and the north as expressed by the Liberal party in this house. I am sure it must come as a shock to every other member of this house. Of course we can realize the handicap that this party is operating under, since it has no members from western Canada to represent it in the house or to advise it. When one considers the attitude that they have adopted in this debate there is little wonder that they have no members from that part of the country.

They have professed to put forward to the people of this country that the only thing they can see in the whole northwest of this country is one mine, and they say if we build a railroad up there that is the only thing we are going to have. Well, surely, Mr. Speaker, nobody in this country has as little faith as that. I cannot understand how a political party, professing to be a major party in this country and representing all parts of it, could possibly or conceivably take such an attitude toward the development of northwestern Canada. As I pointed out the other

day, this is not the first time they have adopted that attitude. When it came time to build the Canadian Pacific Railway to unite Canada into a nation and open up the western part of the country they adopted a similar attitude; they have adopted the same attitude toward this railroad. Some 30 years ago Mackenzie King promised to build it but they have found one excuse after another to put it off. Now we have the same suggestion from the hon. member for Laurier again; put it off again for another six months; it will not hurt. I suppose in his view, after his party put it off for 30 years, another six months will not hurt. I can only say that I think the people in this country are fortunate in having a government in office today that is not going to approach the problems facing Canada with an attitude such as that.

Here we have an opportunity to develop the whole northern part of this country in a way that has been outlined by the government of the province of British Columbia in support of this measure, and by the commissioner of the Northwest Territories, and by the many briefs that were put before the royal commission which investigated the route. We are in a position where we can build this railroad and be guaranteed its operating and maintenance costs for a period of ten years. The hon. member for Bonavista-Twillingate (Mr. Pickersgill) professes to tell us that he does not believe it is possible under these conditions for this railway to operate at a profit. No returns are we going to get, he says. There is apparently no return to the taxpayers from this. Well, I dare say even if what he said were true, even if we were spending $86 million and the Canadian taxpayer was not going to get something back in dollars and cents, the benefit obtained by developing that part of the country would be worth the money.

It has been pointed out already that there are many financial benefits which will be gained from it. I refer in that connection to what was said by the commissioner of the Northwest Territories when he pointed out the amount of ore that was going to be shipped fom this one mine. When the possibility of building the line was investigated in those days the estimate was considerably lower than what was signed for in this agreement which provides for 215,000 tons each year. At that time they were planning on shipping 147,000 tons and the commissioner pointed out that the federal treasury would benefit to the extent of $3.5 million a year just from that one thing alone. We are now guaranteed in this agreement that we are going to have that shipment for ten years so there will be a return to the taxpayer in taxes from the operation of this one mine of an amount of $40 million to $50 million. The hon. member for Laurier (Mr. Chevrier) and the hon. member for Bonavista-Twillingate tell us that there is going to be no return to the taxpayer. In addition to that, as I have pointed out, the railroad is guaranteed its operating and maintenance costs for a period of ten years. Surely, with that potential development of northwest Canada in mind it seems incredible to believe that any member in this house would rise in his place and under those conditions say that this railroad cannot operate at a profit.

I do not want to take up any more of the time of the house on this matter. The various views have been put forward. The hon. member for Peace River (Mr. Baldwin) and the Minister of Transport (Mr. Balcer) have answered everything that has been raised and some of the things that have been raised by the opposition are so incredible that it is hard to believe that anyone in this country would hold views of this kind any longer.

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, I find myself in a peculiar, unique and difficult position, which is not unusual for a member of the House of Commons. This group voted for the principle of the legislation on the original resolution and second reading of the bill. Unfortunately, sir, we were not able to attend the committee meetings because we did not know of them. Yesterday in the committee of the whole I expressed certain misgivings because I felt that full information had not been given to the house. I want to say, Mr. Speaker, that not one of the questions I raised was answered. However, we now find that there is a motion before us which asks that the word "now" be left out and that the words "this day six months hence" be added at the end of the question. This, sir, is a guillotine amendment. There is no question about that at all. That is its effect even though the Liberals unanimously supported the resolution and the second reading of the bill.

As a member of this group and as one who is speaking on the amendment I want to say that I have not changed my mind whatsoever from what I said yesterday at the committee stage. The entire matter has been mishandled. Basically, perhaps indirectly, the C.P.R. is going to be the recipient of the advantages of the expenditure of the taxpayers' money. The major expenditure, which is this subsidy, is going to be on behalf of private enterprise and not the publicly owned Canadian National Railways. And yet, sir, this bill, whether we have criticism or not and whether we like certain features of it or not, is one that is going to benefit Canada and is one that we all looked forward to. We expect that, irrespective of other considerations this bill will

result in the development of the northern part of our country. Having made our whole position clear in voting on the principle of the bill, having raised our objection during the committee stage, I must say that, irrespective of criticisms, objection, understandings or misunderstandings, we in this group feel that the stand we are taking is in the interest of our country, We have sufficient hope and belief in our stand that we are prepared to support the bill and therefore cannot support the guillotine amendment which would kill the advancement of the development of the north. We will, therefore, oppose the amendment which is now being proposed.

Right Hon. J. G. Diefenbaker (Prime Minister): I have not had the opportunity of being here throughout the entire debate. I have been here from time to time, however, and during the period when I have been here the particular section upon which questions were being asked was explained, and explained in detail, by the minister. However, as so often happens, regardless of the clarity of the explanation, the degree to which the opposition desires to oppose a measure is indicated by the fact that it invariably says, "well, we have not had an answer". This has been the course of the opposition on a number of measures.

I look back over the period when this particular railroad was under discussion. I remember well the election campaigns during which construction of the road was promised over and over again. At every election since 1926 the Liberal party has promised action but the same result was to be found in connection with this as we found in the province of Saskatchewan with that other development so frequently promised, the south Saskatchewan dam. These promises were conveniently forgotten after the election was over.

This is a most interesting situation now. If the hon. gentleman, the former minister of transport and subsequently the holder of a high position as chairman of the St. Lawrence seaway, had faced up to the situation and said, "I am opposed to this bill", we could have understood that.

Mr. Chevrier: We did not proceed in this manner with the seaway.

Mr. Diefenbaker: This is simply a subterfuge on the part of the opposition. What they are trying to do is to pretend that at the next session of parliament the views of today will have changed in the meantime and they will be able to give support to this measure. The hon. member for Laurier (Mr. Chevrier) moves a six months hoist. It has been mentioned that this, in fact, is the guillotine. Sir Thomas Erskine May summarizes the situation at page 530 in these words:

> The ordinary practice, in opposing the second reading of a bill, is to move an amendment to the question, by leaving out the word "now" and adding the words "upon this day six (or three) months".

As the case might be.

> The amendment, "upon this day three months" is usually employed in a normal session—

And so on. Then, he goes on to say:

> The acceptance by the house of such an amendment being tantamount to the rejection of the bill, if the session extends beyond the period of postponement, a bill . . . is not replaced upon the notice paper of the house.

That is what the opposition is doing, destroying the possibility of the building of this railway for the opening of the north. They are doing this by a subterranean course of pretense, pretending that at the continuance of this session, to use the words of the hon. gentleman, this matter "may be brought up again". This has been their attitude, as the hon. member for Vancouver-Kingsway (Mr. Browne) said so well, throughout the years. This has been the attitude of the party represented by hon. gentlemen opposite from the days of the Canadian Pacific. There were no assured markets then; the west was unopened. The Liberal party at that time referred to the railroad as two streaks of rust on a roadbed of false hopes. Another Liberal member said that the axle grease would never be paid for. If there had not been a Macdonald, there never would have been the opening of western Canada.

The same situation exists today. In 1957, this party promised it was going to launch a long delayed national development policy and a policy for the opening of the north. Anyone visiting the north today, and I invite the hon. member for Laurier to do that, will see the change.

Mr. Chevrier: I have been there several times.

Mr. Diefenbaker: Recently?—not since the developments have taken place. I also invite the itinerant member for Newfoundland to go up there and see the tremendous developments that have taken place during the last four years. Let them go into the Yukon or into the Mackenzie constituency and argue that there have been no developments, no opening of the north, and I should like to see the reception they receive.

Mr. Chevrier: No one is arguing that.

Mr. Diefenbaker: I am at the moment. As a matter of fact, in 1957 the Liberal party said, "if you give us a chance this time we will build the railway". Does the hon. gentleman remember that promise? In 1958,

they said the same thing. A few months ago we were criticized for not having brought this bill before the house earlier. The Leader of the Opposition (Mr. Pearson) said in western Canada on his last tour, a tour d'horizon during which he was looking over the field, and it is a disheartening look he is having, that we were not proceeding.

Mr. Chevrier: The tour d'horizon I see now is not a vision.

Mr. Diefenbaker: If the hon. gentleman will maintain silence, I can proceed.

In looking over the field, what does he find? He complains that we have not proceeded with the Peace River route or with the Pine Point railway. While he is out there expressing himself, and I am sure being consistent and saying the same thing now as he did on his last visit, the acting leader of the Liberal party is in the house opposing the measure that his leader is advocating. Let there be no evasion of this fact. The motion means the defeat of the bill. I am looking forward to watching these hon. gentlemen vote at this time. Of course, they will have to support the amendment, and then on third reading the destruction of the bill. I am looking forward to that because it will be in keeping with their attitude toward development throughout the years. They give it vocal support; the objective is good, the purpose is admirable, but the vote is in the negative.

This is an example of what we have seen over and over again. This is one of the reasons the policy of opening the Northwest Territories to oil and mineral development, the roads to resources policy, all of those things advocated by this party when in opposition, have been implemented when we had the power to do so. This is one of the undertakings that we gave and I ask hon. members of the house to join with the government in advancing this policy of development. It covers every part of Canada. It covers British Columbia and the Columbia river if we can ever induce Premier Bennett to agree that the action we have taken is going to be beneficial. In the province of Alberta this railway is a step forward. In the province of Saskatchewan we have begun the south Saskatchewan dam. In the province of Manitoba we have the northern development of resources through the opening of areas that were never opened previously. In the maritimes we also have had a policy of opening resources through roadways and highways. All these things are part of the policy of national development. This Pine Point railway is one of the integral promises that we made. We wish to put it into effect at the earliest possible moment.

As to what it will do, may I say this. Mention has been made by the Minister of Transport (Mr. Balcer) of the employment it will provide. It will provide freight service and passenger service to some 28,000 people living north of Grimshaw. It will provide service and savings to existing industry, such as commercial fishing on Great Slave lake and the Yellowknife gold mine. When I was in Yellowknife recently, the people there without regard to party considerations, pointed out that this was something they had been waiting for.

Once this railway is completed to Pine Point, it will make possible extensive development and, as the hon. member for Vancouver-Kingsway (Mr. Browne) said, vast changes in mineral development in the north, in areas which are potentially great but which as yet have not had the transportation facilities to permit the necessary developments that should take place. There will be the stimulation of agricultural expansion in some 6 million acres of arable land adjacent to the railway. There are 13 million acres of adjacent forest land. There will be stimulation to the development of these particular forest areas, stimulation to mineral exploration and also the provision of essential transportation in order to equalize opportunities in all parts of Canada.

The people up north who have opened up those areas in northern Alberta have, through the years, looked forward to the day when there would be this railway. I am sure they will also look with great interest at the fact that the opposition, while giving lip service to the necessity for this development, having criticized this government for not having proceeded with it earlier and now having the opportunity to vote in favour of it, decide by this measure of an amendment to destroy and kill legislation to which they have given vocal support for so many years.

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I had not really intended to speak on this amendment. I think the complaints we had to make were adequately made by my friend the hon. member for Laurier (Mr. Chevrier). I still think so. The Prime Minister (Mr. Diefenbaker), of course, has not paid much attention to the bill. However, that is not unusual. The Prime Minister has passion for avoiding detail that has not been excelled by any of his predecessors. The Prime Minister has opened up other fields that I think are too tempting for me to resist and I do not intend to try to do so. I can only hope that the Prime Minister's history—I refer to his early history of the 20's and 30's about which I do not profess to be as detailed an expert—is a little bit

more accurate than is his later history. I think I am familar with every promise that was made by the Liberal party in the elections of 1940, 1945, 1949, 1953 and 1957.

Mr. Churchill: And none of them was carried out.

Mr. Pickersgill: In all those elections I state without hesitation that the leader of the Liberal party whether it was Mr. King or Mr. St. Laurent never at any time promised to build this railway and never at any time promised to build the south Saskatchewan dam. As a matter of fact, not only did he not do that, the Prime Minister will recall that Mr. St. Laurent, during the course of one election, in Regina, at the armouries during the election campaign stated why he would not promise to build the south Saskatchewan dam.

Mr. Diefenbaker: I want to get that matter clear now.

Mr. Pickersgill: Yes. The Prime Minister has a passion for history which is very entertaining. However, history, of course, has something to do with the facts and not simply what one would like the facts to be.

Mr. Grafftey: It depends on who is writing them.

Mr. Pickersgill: What Mr. Dunning may have said in 1929 and to which I think the hon. member for Peace River (Mr. Baldwin) made some reference is another matter. I was not with Mr. Dunning in 1929. As a matter of fact, in 1929, when Mr. Dunning must have visited that place, I was probably abroad completing my education. However, I know this. From the time the Prime Minister was elected to this House of Commons I know of no occasion when either Mr. King or Mr. St. Laurent ever promised to undertake either of these projects to which the Prime Minister has referred. I just point that out casually. It does not seem to me to be particularly relevant to the situation with which we are now faced. What is relevant to the situation with which we are now faced is whether or not this is a proper way in which to use $86 million more or less of the taxpayers' money.

An hon. Member: Here we go again.

Mr. Pickersgill: That is the important issue. The Prime Minister said that the amendment which had been moved by my hon. friend is a subterfuge. It is not a subterfuge at all. We do not argue for a moment—certainly I do not do so, and I do not think that my hon. friend meant to give any such impression—that if this motion is passed, this bill will not be killed, and killed it should be because it is a bad bargain for the Canadian people as has been clearly shown by the answers given by the Minister of Transport (Mr. Balcer) to questions that have been put to him.

The Prime Minister said that the killing of this bill would destroy—

Mr. Horner (Acadia): You will not be able to find a Liberal candidate for Peace River.

Mr. Pickersgill: I am glad of that interruption for this reason. It enables me in one reply to deal with the whole speech of the hon. member for Vancouver-Kingsway. The tenor of the whole speech of the hon. member for Vancouver-Kingsway was that we should vote for this bill in the hope of electing Liberals in Alberta or Liberals in western Canada and not because on its merits, it was good for Canada. He said, "If you vote against this bill, good-bye to the chances of the Liberal party in western Canada." If this is just a great big scheme for buying votes, may I say that I do not think this is the way in which to defend it to serious minded people when you are spending other people's money. If the argument is sound that it may hurt Liberal candidates in one or two constituencies to vote against something that is not justified it will just have to hurt one or two Liberal candidates, as it is time that we had a few people in this House of Commons who considered the interests of the whole Canadian people and not merely their own immediate political future.

Mr. Jones: You certainly would not be in a position to speak.

Mr. Pickersgill: But of course the motion will not destroy the possibility of the railway at all. It will destroy this bill; but as the hon. member for Laurier has pointed out, there is going to be a new session of parliament soon—the Prime Minister has told us that—in December or January. There is nothing to prevent the government from bringing this bill back in a new session, although I hope they will not. Certainly there is nothing to prevent their bringing in another bill after finding some more customers for the railway and after making a better deal for the Canadian people.

That is why instead of just waiting for the third reading and voting against the bill we moved the six months hoist, to emphasize the point that nothing is going to be delayed. Everybody knows that this railway cannot be started, even by this government, before the survey is completed. We have been told that the survey will not be completed before the end of the year. Everybody knows that the contracts cannot be let on January 1 if the survey is completed on December 31.

Therefore there will not be one day's delay in providing employment if this bill stands over until next session and if the government proceeds expeditiously with a new bill in the next session. But between September and January there will be three or four months for the government to reconsider this matter and see whether not only with the parties to the agreement but with the other interested people they can make a better bargain, one that will protect the treasury and one that will give the taxpayers a reasonable break and a reasonable assurance that the people of Canada will get an adequate return on their investment.

The Prime Minister talked about the lack of vision of the Liberal party since the early days of the C.P.R., and I believe earlier in the debate the hon. member for Vancouver-Kingsway talked the same way. Of course, there were two sides to the early days of the C.P.R. There was another side to it that the Conservative party never boasts about. There were hand-outs on a huge scale to the promoters of the C.P.R. Here is what is happening now. Again it is the C.P.R., in the guise of Consolidated Mining and Smelting Company and the Pine Point mine that have to get a railway built for the transportation of these ores to the smelter; to get a railway built with the taxpayers' money, which money is not going to be recovered and on which no interest is going to be paid. That is what is involved here.

The Prime Minister talks about the opening of the north. Once more I think it is necessary to make a few corrections to the Prime Minister's historical perspective. The Prime Minister's conception of Canadian history seems to have jumped, as I said once before in the house, from June 6, 1891 to June 21, 1957. There is a big gap in between. It was a sort of jump from John to John. During that time nothing happened in this country. The fact of the matter—

Mr. Diefenbaker: "Igloo to igloo" was the slogan of the Liberal party.

Mr. Pickersgill: The Prime Minister evidently does not like what I am saying because he is seeking to divert me.

Some hon. Members: Oh, oh.

Mr. Pickersgill: I would just suggest to the Prime Minister that the quickest way to kill healthy northern development is to go into schemes that will turn out not to be well founded. Sixty six million dollars or $86 million is still, as I said earlier, a tremendous amount to pay out of the treasury of Canada with no provision for interest on that money and no provision for the return of the capital. I am not saying it would not be justified in certain circumstances, but it is still—

An hon. Member: You have said all this before.

Mr. Pickersgill: Bearing in mind our resources, it is a tremendous sum. We have a duty here to be absolutely sure that when we are dealing with sums like that we are dealing with them in the best possible way. That is the point, and that is the only point we have been making throughout.

If in fact the traffic that the Minister of Transport told us just after lunch would be required to make this a self liquidating project—not self liquidating to the treasury but self liquidating to the whole economy—of about 800,000 tons of concentrates, or their equivalent, is going to be forthcoming, and if the government can show that will be forthcoming or that there is a very good prospect of it, nobody would vote for this bill with greater enthusiasm than I. But if this is going to turn out to be a flop—as railways built for development in Canada in the past have turned out to be flops; unfortunately all too many of them—this is just going to be another big drain on the treasury of Canada. It is going to hold back real development and set back those things which ought to be done.

The Prime Minister made a good deal of criticism of the Leader of the Opposition who said that this bill should have been brought in earlier. I echo that criticism. The hon. member for Laurier has made that criticism half a dozen times. I think it is a shocking thing that on the 172nd day of the session, when this railway was referred to on the first day in the speech from the throne, we have only at last got around to considering this tremendous project at a time when we are under unusual pressure to terminate the session.

Mr. Diefenbaker: No.

Mr. Churchill: It is your choice.

Mr. Pickersgill: The Minister of Veterans Affairs (Mr. Churchill) says it is our choice. It is not our choice. Our choice would have been to have this bill earlier so we would have had time to consider it adequately. Our choice would have been to have the agreement as early even as September 7. We were denied that. Those were our choices. It was not our choice, it was the government's choice, to hold the bill back to the very last moment. I think when we see what kind of bill it is we understand why the government made that kind of choice. They hoped they could get this bill through with a minimum of

publicity outside Alberta and the rest of Canada would not know too much about it—

Some hon. Members: Oh, oh.

Mr. Pickersgill: —so they could exploit it politically to the maximum out there. There is another thing, of course, about this bill that really demolishes completely the argument of the Minister of Transport that delaying this bill is going to hurt employment. Not one sou can be spent under this bill, as the minister told us—

Mr. Pallett: What is a sou?

Mr. Pickersgill: It is just the French word for "cent". I say not one sou can be spent under this bill, as the minister told us. There has to be an appropriation. We are not going to have any more appropriations during this session, so the government cannot spend any money in any event. It cannot start this railway in any event until it has brought down the estimates in the next session, so any misleading argument that to delay this bill now will delay the work is destroyed, of course, by the frank statement made by the Minister of Transport.

The Prime Minister also said this project was part of a program for the development of the north which began in 1957. Of course, the development of the north did not begin in 1957. The development of the north began long, long ago in the days of the first prime minister of Canada.

An hon. Member: This sounds like a fairy story.

Mr. Pickersgill: I venture to say there has been no period in which greater progress was made in the development of the north than the nine years when my right hon. friend Mr. St. Laurent was prime minister of Canada. Every project of any consequence which the present government has carried out in the north was already on the drawing boards in June, 1957.

Mr. Diefenbaker: In invisible ink? Was it on the drawing boards in invisible ink?

Mr. Pickersgill: No, it was not. That is shown by the fact that the biggest argument in favour of this railway, and the one the minister falls back on every time he is pressed, is the evidence given by Mr. Robertson before the Gordon commission. When was that evidence given? It was given under the previous administration. Anybody familiar with the real history of these things is aware that not only were there many blueprints but that many of the projects had been started.

An hon. Member: Igloos.

Mr. Pickersgill: Well, the new Aklavik was started by the previous government. Most of the roads were started by them. The new school program was started. I must say that the present government is to be commended for carrying on these programs. I have never complained about that. But the way in which they denature history in the way they have consistently done is another example of the fact that between June, 1891 and June, 1957, in the Prime Minister's book nothing happened in this country.

In the days when Mr. St. Laurent was Prime Minister it was not only the north which was being developed. There never was at any period in the history of this country so much capital development, both public and private, as there was in the years from 1947 to 1957, and the statistics which have been repeatedly brought before this house by the present government—reluctantly, I admit—go to show it. The evidence which was given in the other place before their committee on manpower and a great deal of other statistical evidence indicates very clearly that this progress stopped in the year 1958. It simply stopped.

Now the Prime Minister talks about the north as though Alberta were the only part of the north. It is not, you know. There is also a north which was developed right after the war by private enterprise in Labrador. Here was a company which paid for its own railway; it did not get it paid for by the taxpayer. I say we have to look at a question of this kind in broad prospective. We have to ask ourselves: if we are going to spend this amount of money out of the treasury without getting it back, without any service charge, is this the best place to do it? I say that the government has not yet made that case.

I do not know whether I should refer to this or not, and I do not know how my reference to it will be received by the house. However, I think most of us think the late Mr. C. D. Howe did have something to do with the development of this country and that he did have a good capacity to appraise a proposition and decide whether it was a good thing or not. I remember speaking to him a year or two ago—perhaps it was two or three years ago; it was since I have been in opposition—precisely on the subject of this Pine Point railway. The observation he made to me at that time was this: This railway, or some other means of transport if technology moves fast enough, must be provided, because that mine is a very good mine and there is no doubt it will be exploited sooner or later. Perhaps it will not be too long before it is exploited. But it is a very valuable property, and when it becomes really exploitable, the people who own it will

not hesitate to exploit it. That, after all, is something we have to take into account.

This mine will not be lost if this railway is not built immediately. I noticed the other day that Dr. Solandt, one of the vice presidents of the C.N.R., said that what the railways most needed was research—basic research, not merely research into accounting and that sort of thing. It may very well be we shall see technological developments which will make it possible to provide transport very much cheaper than the present arrangements contemplate. This would be in the interests of everyone. It seems to me no one can say that because we are insisting that this should be a good project and a good bargain for the Canadian people before it is allowed to proceed, that this means we are against national development. When I say no one can say it, I know it will be said. It is probably being said already. But I suggest, without regard to what will be said about these things, that when the facts are such as they are in this case we must assure ourselves that this is the best use which can be made of these funds in the interests of all the Canadian people in the year 1962—I mention that year because this money certainly cannot be spent in 1961—and from then on. It is true that there is in contemplation the construction of 400 miles of line through a very rich part of the country which undoubtedly has a great future. But even the Minister of Finance is slowly beginning to discover that the resources which can be extracted from the taxpayers of Canada are limited. For this reason I have no hesitation whatever in standing up and being counted in opposition, not to the principle of the railway—after all, who would be opposed to it—but to this particular way of doing things.

I remember when I was a small boy living in the bush in northern Manitoba. We had on the wall of our dining room a map of Manitoba. The Hudson's Bay Railway was indicated by a dotted line and there was another dotted line running north from the Gypsumville line to connect with the Hudson's Bay Railway. I remember thinking that some day that railway would be built and the main route to Europe would be through Winnipeg right past our door to the Hudson's Bay Railway. That railway has not been built yet. We are all a little sentimental about these things and I confess that if there is $66 million in the treasury to spend on a railway I would rather see that railway built than one in Northern Alberta. That is just a personal preference, but I would not expect these things to be decided on the basis of personal preference. I would expect us to weigh the merits of the two and then decide which would be best in the national interest. And let no one say that a railway through northern Manitoba such as I have described would not open up a lot of valuable territory. It would reduce very considerably the distance over which the International Nickel Company would have to ship their concentrates. There is a lot of pulpwood in that country, a great new electrical development going on at the Grand Rapids. However, we are not asking the taxpayers to build that railway in northern Manitoba. We are asking them to build one in northern Alberta. Either would contribute to northern development. So would a railway to Hamilton Falls in Labrador, and to Goose Bay. There is no question but that there are tremendous potential resources in Labrador. But would the taxpayers of Canada, without some reasonable assurance that within a reasonable time those potentialities were going to become actual, be justified in doing that? I think we have to apply the same yardstick to all these proposals. Let us, of course, believe in our country, but do not let us do things which will turn out to be bad bargains and discourage people in the future from believing in this country, which certainly is not going to be destroyed if we take a second look at this proposition and come back here next year with a better one.

Mr. Erik Nielsen (Yukon): Mr. Speaker, I had not intended to participate in this debate but I cannot leave unchallenged some of the statements made by the hon. member for Bonavista-Twillingate (Mr. Pickersgill). The hon. gentleman has said that we should be very careful about proceeding with the bill because ill founded schemes could very well set back northern development. I live in the north, Mr. Speaker, and I have travelled across the Canadian north. In my view nothing has so set back northern development as did the 22 years of Liberal rule when a complete void and vacuum existed with respect to the development of the north. The hon. gentleman spoke of ill founded schemes. We could point to schemes that have been inordinately costly and that are a continuing drain on the taxpayers who live in the north. One project immediately comes to mind, the Whitehorse sewer and water system constructed during the Liberal administration at a cost of millions of dollars for a city of 20,000 people at a stage of development when there were only 2,500 people there. Is this the kind of scheme the hon. gentleman speaks of when he refers to ill founded schemes?

The hon. gentleman said the construction of the railway at this time might set back the undertaking of important projects that should be undertaken in the north. The party of

which the hon. gentleman is a member should have thought of many projects that should have been undertaken in the north while they were in power, but they did not. I wonder, as must a great many hon. members of this house, whether these great plans for northern Canada, of which the Liberals now speak, were kept for 22 years in the same cupboard as their great shelf of public works which was supposed to be there when we took office in 1957? The cupboard was bare, these great plans are empty dreams and the words of hon. gentlemen opposite echo hollowly when they seek to claim credit for undertaking projects in the north.

The hon. member for Laurier (Mr. Chevrier) said he had been in the north several times. I have never seen the hon. gentleman in the north. Since I have lived there I have seen only one Liberal minister of northern affairs and national resources in the north, Mr. Lesage, who visited in 1953. I have never seen the hon. member for Bonavista-Twillingate in the north.

An hon. Member: You were fortunate.

Mr. Nielsen: Perhaps this is the explanation for the apparent and appalling ignorance of the hon. gentleman when he begins describing things that are happening in the north about which he has no knowledge. He does not know about them because he has not been there. I know that in the last three years more projects have been brought to completion in the north than were brought to completion in the previous decade, the reason being that this government implemented them, took action.

I also know of many projects that were turned down by the previous administration. One example is the road to the oil fields in Eagle Plains. The former government was asked by private industry to assist in the building of a trail to this area to the extent of contributing $300,000, but hon. gentlemen said they would not give a single nickel to assist in the development of this potentially rich area. They would not admit the possibility that reserves might be there. The same attitude is apparent with regard to this railway. This is yet another example of the waffling in which hon. members of the opposition have been engaging during even the short time I have been sitting here. Their leader has condemned the national development program of this government, and the policy designed to bring about northern development. The Leader of the Opposition (Mr. Pearson) and I had an exchange a few months ago during which I tried to have the hon. member retract his "igloo to igloo" statement, the position he took with respect to communications in the northern part of this country. He would not do so on that occasion nor has he done so since. The reason is apparent. Hon. gentlemen opposite simply do not believe in the riches the north country has to contribute to the over-all development of Canada.

Hon. gentlemen opposite have lauded Mr. St. Laurent as the great northern developer. Not one single project of any size or importance was undertaken in the Yukon territory by the government of Mr. St. Laurent. We asked for roads and projects of all kinds but all were cast aside and rejected. Why? The hon. member for Bonavista-Twillingate speaks about projects for vote catching. I suspect the reason that the Liberals rejected the northern projects for the development of the nation as a whole is that there were more votes to be caught in some of the other provinces that are more heavily populated. The remarks of the hon. member for Bonavista-Twillingate are absolutely false and I give the lie to them. I do not ascribe to the hon. gentleman any motive in his saying these things. I believe he says them out of ignorance. The hon. gentleman has never been in the north and does not know what is going on.

The house divided on the amendment (Mr. Chevrier) which was negatived on the following division:

YEAS

Messrs:

Badanai	Hellyer
Benidickson	LaMarsh, Miss
Boivin	Lessard
Caron	Loiselle
Carter	McIlraith
Chevrier	McMillan
Clermont	McWilliam
Crestohl	Matheson
Denis	Meunier
Deschatelets	Pickersgill
Dumas	Racine
Eudes	Richard (Ottawa East)
Garland	Roberge
Godin	Robichaud
Granger	Tucker—30.

NAYS

Messrs:

Aitken, Miss	Campbell (Lambton-Kent)
Allard	Campbell (Stormont)
Allmark	Cardiff
Argue	Cathers
Balcer	Chambers
Baldwin	Charlton
Beech	Churchill
Bell (Carleton)	Clancy
Bell (Saint John-Albert)	Coates
Bigg	Cooper
Bissonnette	Creaghan
Bourbonnais	Crouse
Browne (Vancouver-Kingsway)	Danforth
Brunsden	Deschambault
Cadieu	Diefenbaker

Dinsdale
Dorion
Drysdale
Dubois
English
Fairclough, Mrs.
Fane
Fleming (Eglinton)
Flemming (Royal)
Forbes
Fournier
Frechette
Grafftey
Grenier
Grills
Gundlock
Hales
Halpenny
Hamilton (Qu'Appelle)
Harkness
Hees
Henderson
Hicks
Hodgson
Horner (Acadia)
Horner (Jasper-Edson)
Horner (The Battlefords)
Howard
Jones
Jorgenson
Jung
Keays
Kennedy
Kindt
Knowles
Korchinski
Kucherepa
Lahaye
Lambert
Legere
Lennard
Macdonald, Mrs.
MacEwan
MacInnis
MacLean (Queens)
MacLellan
McBain
McFarlane
McGee
McGrath
McGregor
McIntosh
McLennan
McQuillan
Mandziuk
Matthews
Milligan
Monteith (Perth)
Monteith (Verdun)
Morissette
Morris
Muir (Cape Breton North and Victoria)
Muir (Lisgar)
Murphy
Nasserden
Nesbitt
Nielsen
Noble
Nowlan
Nugent
O'Leary
Ormiston
Pallett
Parizeau
Pascoe
Paul
Payne
Pitman
Pugh
Rapp
Regnier
Ricard
Robinson
Rogers
Rompre
Rynard
Simpson
Skoreyko
Small
Smallwood
Smith (Calgary South)
Smith (Lincoln)
Smith (Simcoe North)
Speakman
Spencer
Stewart
Stinson
Tassé
Thrasher
Tremblay
Vivian
Webster
White
Winch
Winkler
Wratten—136.

Mr. Speaker: I declare the amendment lost. It being five o'clock—

Mr. Churchill: I wonder, if there is to be another vote, if we could proceed with that without the ringing of the bells and then proceed with the private members' hour?

Mr. Chevrier: There is certainly no objection to that.

Mr. Speaker: The house gives unanimous consent to proceed to the next order and defer private members' hour until it is disposed of?

Some hon. Members: Agreed.

Mr. Speaker: The question is on the main motion. Is the house ready for the question? Those in favour will please say yea.

Division

Some hon. Members: Yea.

Mr. Speaker: Those opposed will please say nay.

Some hon. Members: Nay.

Mr. Speaker: In my opinion the yeas have it.

And more than five members having risen:

Mr. Speaker: Call in the members. Is it agreed that the members are in?

Some hon. Members: Agreed.

The house divided on the motion (Mr. Balcer) which was agreed to on the following division:

YEAS

Messrs:

Aitken, Miss
Allard
Allmark
Argue
Balcer
Baldwin
Beech
Bell (Carleton)
Bell (Saint John-Albert)
Bigg
Bissonnette
Bourbonnais
Browne (Vancouver-Kingsway)
Brunsden
Cadieu
Campbell (Lambton-Kent)
Campbell (Stormont)
Cardiff
Cathers
Chambers
Charlton
Churchill
Clancy
Coates
Cooper
Creaghan
Crouse
Danforth
Deschambault
Diefenbaker
Dinsdale
Dorion
Drysdale
Dubois
English
Fairclough, Mrs.
Fane
Fleming (Eglinton)
Flemming (Royal)
Forbes
Fournier
Frechette
Grafftey
Grenier
Grills
Gundlock
Hales
Halpenny
Hamilton (Qu'Appelle)
Harkness
Hees
Henderson
Hicks
Hodgson
Horner (Acadia)
Horner (Jasper-Edson)
Horner (The Battlefords)
Howard
Jones
Jorgenson
Jung
Keays
Kennedy
Knowles
Korchinski
Kucherepa
Lahaye
Lambert
Legere
Lennard
Macdonald, Mrs.
MacEwan
MacInnis
MacLean (Queens)
MacLellan
McBain
McFarlane
McGee
McGrath
McGregor
McIntosh
McLennan
McQuillan
Mandziuk
Matthews
Milligan
Monteith (Perth)
Monteith (Verdun)
Morissette
Morris
Muir (Cape Breton North and Victoria)
Muir (Lisgar)
Murphy
Nasserden
Nesbitt
Nielsen
Noble
Nowlan
Nugent
O'Leary
Ormiston
Pallett
Parizeau
Pascoe
Paul
Payne
Pitman

Pugh	Smith (Simcoe North)
Rapp	Speakman
Regnier	Spencer
Ricard	Stewart
Robinson	Stinson
Rogers	Tassé
Rompre	Thrasher
Rynard	Tremblay
Simpson	Vivian
Skoreyko	Webster
Small	White
Smallwood	Winch
Smith (Calgary South)	Winkler
Smith (Lincoln)	Wratten—135.

NAYS

Messrs:

Badanai	Hellyer
Benidickson	LaMarsh, Miss
Boivin	Lessard
Caron	Loiselle
Carter	McIlraith
Chevrier	McMillan
Clermont	McWilliam
Crestohl	Matheson
Denis	Meunier
Deschatelets	Pickersgill
Dumas	Racine
Eudes	Richard (Ottawa East)
Garland	Roberge
Godin	Robichaud
Granger	Tucker—30.

Bill read the third time and passed.

Mr. Speaker: It being five o'clock the house will now proceed to the consideration of private and public bills, the former having precedence pursuant to standing order 15.

PRIVATE BILLS

Mr. Speaker: As there are a number of private bills that were ordered for consideration in the committee of the whole this day is it agreed that, in accordance with section 1 of standing order 54, they be referred to the committee in one motion?

Some hon. Members: Agreed.

JEAN GEORGE LIPSMAN

The house in committee on Bill No. SD-1, for the relief of Jean George Lipsman, Mr. Chown in the chair.

On clause 1—*Marriage dissolved.*

The Deputy Chairman: Shall clause 1 carry?

Mr. Howard: Before it carries, Mr. Chairman, I should like to point out that in the miscellaneous private bills committee the various bills which are now before us were given consideration by the committee to the extent of allowing three tenths of one second of time for each particular bill. That is an indication of the consideration that was given in the committee and the progress that was made.

If I may, I should just like to take this opportunity, for a second or two, to congratulate the hon. member for Marquette who is vice-chairman of the committee on the efficient and capable manner in which he handled the committee's proceedings this morning and on the justness with which he pursued his particular task. Inasmuch as he is only vice-chairman of the particular committee may I say this. If we are going to continue to consider these things in that committee, he may be slated for higher things in that committee.

Mr. Mandziuk: Mr. Chairman, I thank the hon. member for his kind words. With reference to the length of time allotted to each separate bill, I might put on the record the fact that it is the practice of the committee—or at least it has been the practice when I have been on it—that those bills which are uncontested are considered en bloc after the committee receives from the chairman or the vice-chairman an undertaking that they have been checked, read over and studied and that no objection was found.

Clause agreed to.

Preamble agreed to.

Title agreed to.

Bill reported.

CONSIDERED IN COMMITTEE

Bill SD-2, for the relief of Margaret Terese MacDonald Tombs.—Mr. McCleave.

Bill SD-3, for the relief of Esther Miller Finkelstein.—Mr. McCleave.

Bill SD-4, for the relief of Matilda Aboud Henrig, otherwise known as Matilda Aboud Levac.—Mr. McCleave.

Bill SD-5, for the relief of Charles Malcolm Macdonald.—Mr. McCleave.

Bill SD-6, for the relief of Georgette Ginette Richardot Marica.—Mr. McCleave.

Bill SD-7, for the relief of Roland Labelle.—Mr. McCleave.

Bill SD-8, for the relief of Robert Clair Alger.—Mr. McCleave.

Bill SD-9, for the relief of Susanne Louise Eismann Weinfield.—Mr. McCleave.

Bill SD-10, for the relief of Florida McIntyre Marcil.—Mr. McCleave.

Bill SD-11, for the relief of Muriel Frances Marion Simpson Anfossi.—Mr. McCleave.

Bill SD-12, for the relief of Norma Catherine Shearly McMullan.—Mr. McCleave.

Bill SD-13, for the relief of Violanda Fuoco Delage.—Mr. McCleave.

Bill SD-14, for the relief of Leonda Suzanne Winston Gold.—Mr. McCleave.

Bill SD-15, for the relief of Georgette Claudy Bercier Brabant.—Mr. McCleave.

Bill SD-16, for the relief of Anneliese Bauer Kreuzer.—Mr. McCleave.

Bill SD-17, for the relief of Beulah Maybelle Purcell Stewart.—Mr. McCleave.

Bill SD-18, for the relief of Diana Fraid Gross.—Mr. McCleave.

Bill SD-19, for the relief of Nancy Anne Gray Levesque.—Mr. McCleave.

Bill SD-20, for the relief of Agnes Larkin McBride.—Mr. McCleave.

Bill SD-21, for the relief of Sheila Rose Hutchison Dendy.—Mr. McCleave.

Bill SD-22, for the relief of Clara Melamed Schultz.—Mr. McCleave.

Bill SD-23, for the relief of Josephine Badaha Amyoony Marchadier.—Mr. McCleave.

Bill SD-24, for the relief of Bella Grafstein Weintraub.—Mr. McCleave.

Bill SD-25, for the relief of William John Eamer, junior.—Mr. McCleave.

Bill SD-26, for the relief of Doreen Mary Swain Mather.—Mr. McCleave.

Bill SD-27, for the relief of Dorothy Grace Brown Vallieres.—Mr. McCleave.

Bill SD-28, for the relief of Nellie Frances Drake.—Mr. McCleave.

Bill SD-29, for the relief of Louis Fruttero.—Mr. McCleave.

Bill SD-30, for the relief of Fritz Flunkert.—Mr. McCleave.

Bill SD-31, for the relief of Claude Thibault.—Mr. McCleave.

Bill SD-32, for the relief of Remmechiena Elsiena Jonker.—Mr. McCleave.

Bill SD-33, for the relief of Mary Billias.—Mr. McCleave.

Bill SD-34, for the relief of Helene Lempp.—Mr. McCleave.

Bill SD-35, for the relief of Jean Elizabeth Geraldine Vimbor.—Mr. McCleave.

Bill SD-36, for the relief of Hela Hinda Fachler.—Mr. McCleave.

Bill SD-37, for the relief of Norma Skolar.—Mr. McCleave.

Bill SD-38, for the relief of Jack Warran Jones.—Mr. McCleave.

Bill SD-39, for the relief of Phyllis Marjorie Bradley.—Mr. McCleave.

Bill SD-40, for the relief of Barbara Phyllis Barnes.—Mr. McCleave.

Bill SD-41, for the relief of Clifford Harvey Stevens.—Mr. McCleave.

Bill SD-42, for the relief of Nicolas Denis Lazanis.—Mr. McCleave.

Bill SD-43, for the relief of Hedwig Anna Kiss.—Mr. McCleave.

Divorce Bills

Bill SD-44, for the relief of Mildred Linda Sexton.—Mr. McCleave.

Bill SD-45, for the relief of Hugh Donald McKean.—Mr. McCleave.

Bill SD-46, for the relief of Catherine Louise Puddicombe.—Mr. McCleave.

Bill SD-47, for the relief of Eunice Beverley Donaldson.—Mr. McCleave.

Bill SD-48, for the relief of Florrie Naomi Wise.—Mr. McCleave.

Bill SD-49, for the relief of Leslie Alfred Wheable.—Mr. McCleave.

Bill SD-50, for the relief of Roslyn Reisler.—Mr. McCleave.

Bill SD-51, for the relief of Viola Saykaly.—Mr. McCleave.

Bill SD-52, for the relief of Barbara Rose Isenberg.—Mr. McCleave.

Bill SD-53, for the relief of Thelma Rosemary Picher.—Mr. McCleave.

Bill SD-55, for the relief of Rita Joubert.—Mr. McCleave.

Bill SD-56, for the relief of Evelyn Ann Joy.—Mr. McCleave.

Bill SD-57, for the relief of Wendy Grace McCullough.—Mr. McCleave.

Bill SD-58, for the relief of John Dyall.—Mr. McCleave.

Bill SD-59, for the relief of Anna Marie Cholette.—Mr. McCleave.

Bill SD-60, for the relief of Richard Lorne Moat.—Mr. McCleave.

Bill SD-61, for the relief of Juliana Green.—Mr. McCleave.

Bill SD-62, for the relief of Marie Veronique Elmire Bugeaud.—Mr. McCleave.

Bill SD-63, for the relief of Victor Robert Selvin Rafuse.—Mr. McCleave.

Bill SD-64, for the relief of Francis John Turner.—Mr. McCleave.

Bill SD-65, for the relief of Mary Berler.—Mr. McCleave.

Bill SD-66, for the relief of Ruth Anna Becker.—Mr. McCleave.

Bill SD-67, for the relief of Annunziata Collin.—Mr. McCleave.

Bill SD-68, for the relief of Sophie Greuzinger Abelius.—Mr. McCleave.

Bill SD-69, for the relief of Joan Miller.—Mr. McCleave.

Bill SD-70, for the relief of Marie Anne Sigouin.—Mr. McCleave.

Bill SD-71, for the relief of Jean Paul Dussault.—Mr. McCleave.

Bill SD-72, for the relief of Aleksander (Olexa or Oleksa) Chomenko.—Mr. McCleave.

Divorce Bills

Bill SD-73, for the relief of Robert Whitla Ross.—Mr. McCleave.

Bill SD-74, for the relief of Margherita Di Paolo.—Mr. McCleave.

Bill SD-75, for the relief of Pauline Lewkowict.—Mr. McCleave.

Bill SD-76, for the relief of Marie Louise Aline Ross.—Mr. McCleave.

Bill SD-77, for the relief of Gisela Lydia Elisabeth Hunnius.—Mr. McCleave.

Bill SD-78, for the relief of Dorothy Gertrude Payment.—Mr. McCleave.

Bill SD-79, for the relief of Pierrette De Vynck.—Mr. McCleave.

Bill SD-80, for the relief of Dorothy Joan Kovacs.—Mr. McCleave.

Bill SD-81, for the relief of John Vereshack.—Mr. McCleave.

Bill SD-82, for the relief of Eloi Vincent.—Mr. McCleave.

Bill SD-83, for the relief of Frederick William Steppings.—Mr. McCleave.

Bill SD-84, for the relief of Dawn Carolyn Kronen.—Mr. McCleave.

Bill SD-85, for the relief of Maria Ildiko Leitner.—Mr. McCleave.

Bill SD-86, for the relief of Nora Vida Dobie.—Mr. McCleave.

Bill SD-87, for the relief of Janina Keller.—Mr. McCleave.

Bill SD-88, for the relief of Gordon Angus Moore.—Mr. McCleave.

Bill SD-89, for the relief of Maurice Robert.—Mr. McCleave.

Bill SD-90, for the relief of Johann Kinzl.—Mr. McCleave.

Bill SD-91, for the relief of Elizabeth Robb Lilley.—Mr. McCleave.

Bill SD-92, for the relief of Marguerite Archambault.—Mr. McCleave.

Bill SD-93, for the relief of Nancy Viola Doolittle.—Mr. McCleave.

Bill SD-94, for the relief of Elsie Margaret Turnau.—Mr. McCleave.

Bill SD-95, for the relief of Ruth Manhaim.—Mr. McCleave.

Bill SD-96, for the relief of Micheline Maud Huguette Deutschenschmied.—Mr. McCleave.

Bill SD-97, for the relief of Edith Martha Ami.—Mr. McCleave.

Bill SD-98, for the relief of Christa Krusemer.—Mr. McCleave.

Bill SD-99, for the relief of John Dennis Grubb.—Mr. McCleave.

Bill SD-100, for the relief of Frank (Franz) Ziegler.—Mr. McCleave.

Bill SD-102, for the relief of Amblena Eva Margaret Mary Brouse.—Mr. McCleave.

Bill SD-103, for the relief of Marion Pelletier.—Mr. McCleave.

Bill SD-104, for the relief of Catherine Lorraine Berthe Unity Miller.—Mr. McCleave.

Bill SD-105, for the relief of Pierre Blagdon.—Mr. McCleave.

Bill SD-106, for the relief of Helen Rita Freestone.—Mr. McCleave.

Bill SD-108, for the relief of Mary Ann Elizabeth Datko.—Mr. McCleave.

Bill SD-109, for the relief of Frances Jane Ball.—Mr. McCleave.

Bill SD-110, for the relief of Annie Beatrice Fordham.—Mr. McCleave.

Bill SD-111, for the relief of June Catherine Volkart.—Mr. McCleave.

Bill SD-112, for the relief of Edith Ruth Gurd.—Mr. McCleave.

Bill SD-113, for the relief of Marie Lea Gertrude Constantinides.—Mr. McCleave.

Bill SD-114, for the relief of Vera May Kirkpatrick.—Mr. McCleave.

Bill SD-115, for the relief of Kathleen Isabel Argue.—Mr. McCleave.

Bill SD-116, for the relief of Florence Parks.—Mr. McCleave.

Bill SD-117, for the relief of Elaine Linda Goldberg.—Mr. McCleave.

Bill SD-118, for the relief of Mary Helen Cormier.—Mr. McCleave.

Bill SD-119, for the relief of Margaret Evelyn Grierson.—Mr. McCleave.

Bill SD-120, for the relief of Madeleine St. Arnaud.—Mr. McCleave.

Bill SD-121, for the relief of Ronald Clarence Breen.—Mr. McCleave.

Bill SD-122, for the relief of Sally Falovitch.—Mr. McCleave.

Bill SD-123, for the relief of Frederick John Downey.—Mr. McCleave.

Bill SD-124, for the relief of Shirley Mae Clarke.—Mr. McCleave.

Bill SD-125, for the relief of Jadwiga Nowak.—Mr. McCleave.

Bill SD-126, for the relief of Robert Fender.—Mr. McCleave.

Bill SD-127, for the relief of Joseph George Marcel Raymond Mady,—Mr. McCleave.

Bill SD-128, for the relief of Reuben Gerald Sheaves.—Mr. McCleave.

Bill SD-129, for the relief of Jean Paul Bourgue.—Mr. McCleave.

Bill SD-130, for the relief of Theresa Catalfamo.—Mr. McCleave.

Divorce Bills

Bill SD-131, for the relief of Charles Woods. —Mr. McCleave.

Bill SD-132, for the relief of Joan Winnifred Chrystal.—Mr. McCleave.

Bill SD-133, for the relief of Dorothy Darling.—Mr. McCleave.

Bill SD-134, for the relief of Lilla Margit Irenne Fekete.—Mr. McCleave.

Bill SD-135, for the relief of Elisabeth Franziska Chamulka.—Mr. McCleave.

Bill SD-136, for the relief of Evelyn Patricia Hunter.—Mr. McCleave.

Bill SD-137, for the relief of Walter Mason. —Mr. McCleave.

Bill SD-138, for the relief of Anthony John Tunstall.—Mr. McCleave.

Bill SD-140, for the relief of Howard Ferncon Olsen.—Mr. McCleave.

Bill SD-141, for the relief of Theresa Irene Godfrey.—Mr. McCleave.

Bill SD-142, for the relief of Geraldine Bousquet.—Mr. McCleave.

Bill SD-143, for the relief of Bernice Clara Judd.—Mr. McCleave.

Bill SD-144, for the relief of Geraldine Koch.—Mr. McCleave.

Bill SD-145, for the relief of Joyce Mary Walker.—Mr. McCleave.

Bill SD-146, for the relief of Jeanne Ouellette.—Mr. McCleave.

Bill SD-147, for the relief of Patricia Helen Gagnon.—Mr. McCleave.

Bill SD-148, for the relief of Thelma Beatrice Davis.—Mr. McCleave.

Bill SD-149, for the relief of Lydia Ingeborg Pachurka.—Mr. McCleave.

Bill SD-150, for the relief of Ourania Timotheatos, otherwise known as Orania Timotheatos.—Mr. McCleave.

Bill SD-151, for the relief of James Christopher Younger Elliott.—Mr. McCleave.

Bill SD-152, for the relief of Bernice Catherine Bealy.—Mr. McCleave.

Bill SD-153, for the relief of Helene Martineau.—Mr. McCleave.

Bill SD-154, for the relief of Yvette Cecile Millar.—Mr. McCleave.

Bill SD-155, for the relief of Mary Evangeline Jackson.—Mr. McCleave.

Bill SD-156, for the relief of Andrew Drummond Page.—Mr. McCleave.

Bill SD-157, for the relief of Katie Pollack. —Mr. McCleave.

Bill SD-158, for the relief of Shelagh (Sheila) Harriet Jacqueline Smith.—Mr. McCleave.

Bill SD-159, for the relief of Roy Charles Melvin.—Mr. McCleave.

Bill SD-160, for the relief of Shirley Margaret Ball.—Mr. McCleave.

Bill SD-161, for the relief of Irene Ruth Farber.—Mr. McCleave.

Bill SD-162, for the relief of Margaret Edith Myrtle Latour.—Mr. McCleave.

Bill SD-163, for the relief of Charles Georges Andre Perrin.—Mr. McCleave.

Bill SD-164, for the relief of Norma Helen Hall.—Mr. McCleave.

Bill SD-165, for the relief of Evelyn Byrd Taylor.—Mr. McCleave.

Bill SD-166, for the relief of Eileen Mary Grant.—Mr. McCleave.

Bill SD-167, for the relief of Shirley Levitt. —Mr. McCleave.

Bill SD-168, for the relief of Judith Patricia Hogwood.—Mr. McCleave.

Bill SD-169, for the relief of Rose Linden.— Mr. McCleave.

Bill SD-170, for the relief of William Gibb Barnard.—Mr. McCleave.

Bill SD-171, for the relief of Joseph Armand De Bellefeuille.—Mr. McCleave.

Bill SD-172, for the relief of Bernard Campeau.—Mr. McCleave.

Bill SD-173, for the relief of Derrick Walsh. —Mr. McCleave.

Bill SD-174, for the relief of Genevieve Bollen.—Mr. McCleave.

Bill SD-175, for the relief of Joseph Palma Lucien Boucher.—Mr. McCleave.

Bill SD-176, for the relief of Joseph Arthur Roger Courtois.—Mr. McCleave.

Bill SD-177, for the relief of Catherine Dale Porter.—Mr. McCleave.

Bill SD-178, for the relief of Betty Jean Maurice-Jones.—Mr. McCleave.

Bill SD-179, for the relief of Margaret Nancy Bishop.—Mr. McCleave.

Bill SD-180, for the relief of Thelma Annie McKenna.—Mr. McCleave.

Bill SD-181, for the relief of Florence Mary Gibson.—Mr. McCleave.

Bill SD-182, for the relief of James Valiant Hatch.—Mr. McCleave.

Bill SD-183, for the relief of Sofia Kleiza.— Mr. McCleave.

Bill SD-184, for the relief of Elizabeth Ziehm.—Mr. McCleave.

Bill SD-185, for the relief of Mary Winnifred Paiement.—Mr. McCleave.

Bill SD-186, for the relief of Dorothy Irene Payette.—Mr. McCleave.

Bill SD-187, for the relief of Nancy Carol Stead.—Mr. McCleave.

Divorce Bills

Bill SD-188, for the relief of Leo Thivierge.—Mr. McCleave.

Bill SD-189, for the relief of Lola Polka.—Mr. McCleave.

Bill SD-190, for the relief of Stella Liberman, otherwise known as Stella Silverman.—Mr. McCleave.

Bill SD-191, for the relief of Patricia Cotton.—Mr. McCleave.

Bill SD-192, for the relief of Verna Wilson Ellis.—Mr. McCleave.

Bill SD-193, for the relief of Mary Freda Doutre.—Mr. McCleave.

Bill SD-194, for the relief of Wilhelm Antoni.—Mr. McCleave.

Bill SD-195, for the relief of Lilian Eleanor Hartglas.—Mr. McCleave.

Bill SD-196, for the relief of Kathleen Gordon.—Mr. McCleave.

Bill SD-197, for the relief of Roslyn Isaacs.—Mr. McCleave.

Bill SD-198, for the relief of Claire Gray.—Mr. McCleave.

Bill SD-199, for the relief of Olga Megas.—Mr. McCleave.

Bill SD-200, for the relief of Frances Bourassa.—Mr. McCleave.

Bill SD-201, for the relief of Janet Ellen Nelley.—Mr. McCleave.

Bill SD-202, for the relief of Helen Mary Mailath.—Mr. McCleave.

Bill SD-203, for the relief of Helen Mary Vol.—Mr. McCleave.

Bill SD-204, for the relief of Douglas Yetman.—Mr. McCleave.

Bill SD-205, for the relief of Martha Klein.—Mr. McCleave.

Bill SD-206, for the relief of Thelma Joy Tapp.—Mr. McCleave.

Bill SD-207, for the relief of Marie Therese Beaudry.—Mr. McCleave.

Bill SD-208, for the relief of Leon Schwertfinger.—Mr. McCleave.

Bill SD-209, for the relief of Dorothy Golden.—Mr. McCleave.

Bill SD-210, for the relief of Brenda Ruth Black.—Mr. McCleave.

Bill SD-211, for the relief of Agnes May Hurst.—Mr. McCleave.

Bill SD-212, for the relief of Stanley Sager.—Mr. McCleave.

Bill SD-213, for the relief of Rae Price.—Mr. McCleave.

Bill SD-214, for the relief of Margaret Bloom.—Mr. McCleave.

Bill SD-215, for the relief of Beena Barbara Koch.—Mr. McCleave.

[Mr. Mandziuk.]

Bill SD-216, for the relief of Pacifique Raymond Jean Ghislain Van Gulick.—Mr. McCleave.

Bill SD-217, for the relief of Theresa Bernadette Rose.—Mr. McCleave.

Bill SD-218, for the relief of Ila Rothman.—Mr. McCleave.

Bill SD-219, for the relief of Marcel Paquet.—Mr. McCleave.

Bill SD-220, for the relief of Ada Florence Roberts.—Mr. McCleave.

Bill SD-221, for the relief of Hannah Dorothy Erlich.—Mr. McCleave.

Bill SD-222, for the relief of Teresa Mary Seguin.—Mr. McCleave.

Bill SD-223, for the relief of Mary Stella Williams.—Mr. McCleave.

Bill SD-224, for the relief of Kathleen Louisa Harrison.—Mr. McCleave.

Bill SD-225, for the relief of Ilona Helen Adler.—Mr. McCleave.

Bill SD-226, for the relief of Lillian Chalfen.—Mr. McCleave.

Bill SD-227, for the relief of Dolores Norma Auclair.—Mr. McCleave.

Bill SD-228, for the relief of Patricia Lillian Mary Walker.—Mr. McCleave.

Bill SD-229, for the relief of Milan Yankovic.—Mr. McCleave.

Bill SD-230, for the relief of Norma Eileen Hicks.—Mr. McCleave.

Bill SD-231, for the relief of Edith Erlick.—Mr. McCleave.

Bill SD-232, for the relief of Sidney Russell Drake.—Mr. McCleave.

Bill SD-233, for the relief of Grace Evelyn Lewis.—Mr. McCleave.

Bill SD-234, for the relief of Ursula Edith Elise Morgan.—Mr. McCleave.

Bill SD-235, for the relief of Marie Marguerite Jeannette Enlow.—Mr. McCleave.

Bill SD-236, for the relief of Barbara Lois Golden.—Mr. McCleave.

Bill SD-237, for the relief of Eva Maria Muller.—Mr. McCleave.

Bill SD-238, for the relief of Neil Marriott Compton.—Mr. McCleave.

Bill SD-239, for the relief of Carol Marilyn Margot Norcott.—Mr. McCleave.

Bill SD-240, for the relief of Eileen Alice Rose.—Mr. McCleave.

Bill SD-241, for the relief of Mable Irene Collin.—Mr. McCleave.

Bill SD-242, for the relief of Johan Hendrick Van Hattem.—Mr. McCleave.

Bill SD-243, for the relief of Rhoda Heitner.—Mr. McCleave.

Divorce Bills

Bill SD-244, for the relief of Normand Guy. —Mr. McCleave.

Bill SD-245, for the relief of Elizabeth McInnis.—Mr. McCleave.

Bill SD-246, for the relief of Carl Wilhelm Larson.—Mr. McCleave.

Bill SD-247, for the relief of Timothy Garfield Pilon.—Mr. McCleave.

Bill SD-248, for the relief of Mary Theressa Oliver.—Mr. McCleave.

Bill SD-249, for the relief of Egidia Floriana Ines Zeppettini.—Mr. McCleave.

Bill SD-250, for the relief of Georgette Lemieux.—Mr. McCleave.

Bill SD-251, for the relief of Sylvia Spivak. —Mr. McCleave.

Bill SD-252, for the relief of Margaret Pate Orr.—Mr. McCleave.

Bill SD-253, for the relief of Laureen Elizabeth Saunderson.—Mr. McCleave.

Bill SD-254, for the relief of Jeannine Marleau.—Mr. McCleave.

Bill SD-255, for the relief of Doris Villeneuve.—Mr. McCleave.

Bill SD-256, for the relief of Estelle Shetzen.—Mr. McCleave.

Bill SD-257, for the relief of Eva Knopf.— Mr. McCleave.

Bill SD-258, for the relief of Marie Alice DeWit.—Mr. McCleave.

Bill SD-259, for the relief of Jean-Louis Trudel.—Mr. McCleave.

Bill SD-260, for the relief of Doris Elizabeth McEllin.—Mr. McCleave.

Bill SD-261, for the relief of Mary Jane Gabrielle Black.—Mr. McCleave.

Bill SD-262, for the relief of Lucien Aube. —Mr. McCleave.

Bill SD-263, for the relief of Denis Biron. —Mr. McCleave.

Bill SD-264, for the relief of Guy Robitaille.—Mr. McCleave.

Bill SD-266, for the relief of Edith Henshaw Owen.—Mr. McCleave.

Bill SD-267, for the relief of Ruth Duggan. —Mr. McCleave.

Bill SD-268, for the relief of Joseph Georges Maurice Legault.—Mr. McCleave.

Bill SD-269, for the relief of Lomer Lussier. —Mr. McCleave.

Bill SD-270, for the relief of Anna May Blair.—Mr. McCleave.

Bill SD-271, for the relief of Norma Bernet Vallieres.—Mr. McCleave.

Bill SD-272, for the relief of Rose Belsky. —Mr. McCleave.

Bill SD-273, for the relief of Csilla Groszman. —Mr. McCleave.

Bill SD-274, for the relief of Selma Kostiner.—Mr. McCleave.

Bill SD-275, for the relief of Leah (Lily) Goldberg.—Mr. McCleave.

Bill SD-276, for the relief of Isabella Gardiner.—Mr. McCleave.

Bill SD-277, for the relief of Diana Miriam Favreau.—Mr. McCleave.

Bill SD-278, for the relief of Philias Doil Menard.—Mr. McCleave.

Bill SD-279, for the relief of Viesturs Goba. —Mr. McCleave.

Bill SD-280, for the relief of Clifford Woodward Hall.—Mr. McCleave.

Bill SD-281, for the relief of Emelia Gador. —Mr. McCleave.

Bill SD-282, for the relief of Barbara Jean Bertram O'Brien.—Mr. McCleave.

Bill SD-283, for the relief of Arthur George Sims.—Mr. McCleave.

Bill SD-284, for the relief of Gladys Evelyn Viau.—Mr. McCleave.

Bill SD-285, for the relief of Yvonne Humbert-Droz.—Mr. McCleave.

Bill SD-286, for the relief of Joseph Paul Maurice Marcel Lefebvre.—Mr. McCleave.

Bill SD-287, for the relief of Thomas Smith. —Mr. McCleave.

Bill SD-288, for the relief of Marie Pauline Monique Denise Ferron.—Mr. McCleave.

Bill SD-289, for the relief of Mara Wokrina. —Mr. McCleave.

Bill SD-290, for the relief of Joyce Mary Hagemeyer.—Mr. McCleave.

Bill SD-291, for the relief of Rowland McLean Loftus.—Mr. McCleave.

Bill SD-292, for the relief of Janina Stefania Luszczki.—Mr. McCleave.

Bill SD-293, for the relief of Esther Mary Adler.—Mr. McCleave.

Bill SD-294, for the relief of Marie Juliette Ida Dick.—Mr. McCleave.

Bill SD-295, for the relief of Fred Austin Griffith.—Mr. McCleave.

Bill SD-296, for the relief of Joseph Paul Jules Jodoin.—Mr. McCleave.

Bill SD-297, for the relief of Janet Louisa Davis.—Mr. McCleave.

Bill SD-298, for the relief of Margaret Dorothy Smith.—Mr. McCleave.

Bill SD-299, for the relief of Christopher John Henry Doscher.—Mr. McCleave.

Bill SD-300, for the relief of Martha Saltvik.—Mr. McCleave.

Divorce Bills

Bill SD-301, for the relief of Eva Farkass. —Mr. McCleave.

Bill SD-302, for the relief of Albert Courtois. —Mr. McCleave.

Bill SD-303, for the relief of Madeleine Lebegue.—Mr. McCleave.

Bill SD-304, for the relief of Anthony Roy Rabone Hearn.—Mr. McCleave.

Bill SD-305, for the relief of Joseph Alfred Pope.—Mr. McCleave.

Bill SD-306, for the relief of Marigold Mavis Singer.—Mr. McCleave.

Bill SD-307, for the relief of Georgette Anne O'Leary.—Mr. McCleave.

Bill SD-308, for the relief of Ann Cicely Cosgrove.—Mr. McCleave.

Bill SD-309, for the relief of Agnes Hallstein.—Mr. McCleave.

Bill SD-310, for the relief of Shirley Sherry Aileen Sarah Bronfman.—Mr. McCleave.

Bill SD-311, for the relief of Leta Sybil Farmer.—Mr. McCleave.

Bill SD-312, for the relief of Vlasta Suchomel.—Mr. McCleave.

Bill SD-313, for the relief of Lilian Norah Smith.—Mr. McCleave.

Bill SD-314, for the relief of Sarah Galganov, otherwise known as Sarah Gale.—Mr. McCleave.

Bill SD-315, for the relief of Anna Zinger. —Mr. McCleave.

Bill SD-316, for the relief of Lucien Gagnon.—Mr. McCleave.

Bill SD-317, for the relief of Dennis James Haney.—Mr. McCleave.

Bill SD-318, for the relief of George Kenneth Polk.—Mr. McCleave.

Bill SD-319, for the relief of Mario Lattoni. —Mr. McCleave.

Bill SD-320, for the relief of Vincent Laplaca.—Mr. McCleave.

Bill SD-321, for the relief of Marie Marguerite Jeanne-d'Arc Paiement.—Mr. McCleave.

Bill SD-322, for the relief of Joy Earle.— Mr. McCleave.

Bill SD-323, for the relief of Barbara Rosemary Olga Barbary.—Mr. McCleave.

Bill SD-324, for the relief of Assof Ernest Shaar.—Mr. McCleave.

Bill SD-325, for the relief of Joseph Wilfrid Paul Emile Marois.—Mr. McCleave.

Bill SD-326, for the relief of Erwin Gustav Pfeifer.—Mr. McCleave.

Bill SD-327, for the relief of Rita Elizabeth Bowden.—Mr. McCleave.

[Mr. Mandziuk.]

Bill SD-328, for the relief of Hazel Margaret Calvert.—Mr. McCleave.

Bill SD-329, for the relief of Luciano Domenis.—Mr. McCleave.

Bill SD-330, for the relief of Antonio (Arthur) Archambault.—Mr. McCleave.

Bill SD-331, for the relief of Ernestine Lavallee.—Mr. McCleave.

Bill SD-332, for the relief of Joseph Honore Antonio Lacerte.—Mr. McCleave.

Bill SD-333, for the relief of Doreen Chantigny.—Mr. McCleave.

Bill SD-334, for the relief of Sema Borodow.—Mr. McCleave.

Bill SD-335, for the relief of Gisele Lamarche.—Mr. McCleave.

Bill SD-336, for the relief of Estelle Mathieu.—Mr. McCleave.

Bill SD-337, for the relief of Vilma Beaudoin.—Mr. McCleave.

Bill SD-338, for the relief of Donald Kirk. —Mr. McCleave.

Bill SD-339, for the relief of Jacques-Emile Blanchard.—Mr. McCleave.

Bill SD-340, for the relief of Guy Thomas Carpenter.—Mr. McCleave.

Bill SD-341, for the relief of George Louis Draper.—Mr. McCleave.

Bill SD-342, for the relief of Berthe Daigneault.—Mr. McCleave.

Bill SD-343, for the relief of Stephen Beauchemin.—Mr. McCleave.

Bill SD-344, for the relief of Marie Gabrielle Lise Chouinard.—Mr. McCleave.

Bill SD-345, for the relief of Zar Boik.— Mr. McCleave.

Bill SD-346, for the relief of John Anthony Clifford Manning.—Mr. McCleave.

Bill SD-347, for the relief of Pearl Arron. —Mr. McCleave.

Bill SD-348, for the relief of Joseph Alfred Laflamme.—Mr. McCleave.

Bill SD-349, for the relief of Dorothy Elizabeth Davies.—Mr. McCleave.

Bill SD-350, for the relief of Elizabeth Rae Murphy.—Mr. McCleave.

Bill SD-351, for the relief of Hazel May Terry.—Mr. McCleave.

Bill SD-352, for the relief of Therese Hastings.—Mr. McCleave.

Bill SD-353, for the relief of Paul Lapres. —Mr. McCleave.

Bill SD-354, for the relief of Mary Christine Sweeney.—Mr. McCleave.

Bill SD-355, for the relief of Corinne Ryder Nurse.—Mr. McCleave.

Bill SD-356, for the relief of Evelyn Sue Newton.—Mr. McCleave.

Mr. Nicholas Mandziuk (Marquette) moved the third reading of Bills Nos. SD-1 to SD-53, inclusive; SD-55 to SD-100, inclusive; SD-102 to SD-106, inclusive; and SD-108 to SD-138, inclusive; SD-140 to SD-264 inclusive and SD-266 to SD-356 inclusive.

Mr. Speaker: Is it the pleasure of the house to adopt the motion?

Some hon. Members: Agreed.

Mr. Frank Howard (Skeena): On division.

Motion agreed to on division, and bills read the third time and passed.

PENITENTIARY ACT

AMENDMENT PROVIDING FOR USE OF DORMITORIES BY INMATES

On the order:

Resuming debate on the motion of Mr. Howard for the second reading of Bill No. C-2, to amend the Penitentiary Act.

Hon. Gordon Churchill (Minister of Veterans Affairs): Mr. Speaker, I wonder if we might revert to government business now, if the house is agreeable to so doing. We would go on with Bill No. C-122.

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I am the one who is making the great sacrifice again, but I nevertheless feel that I would be expressing the views of all my hon. friends if I forwent the chance to make a speech myself in order to enable us to hear one from the Minister of Finance (Mr. Fleming).

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, there are a vast number of public bills which undoubtedly cannot be considered this session. Therefore it was the understanding of this group that we would agree, if there was unanimous consent, to reverting to government business.

Mr. Churchill: Thank you.

Mr. Speaker: It is agreed, then, that the house waive the balance of the hour for private and public bills and revert to the business which was interrupted at five o'clock?

Some hon. Members: Agreed.

DOMINION-PROVINCIAL RELATIONS

AGREEMENTS RESPECTING TAX COLLECTION, ANNUAL GRANTS, ETC.

Hon. Donald M. Fleming (Minister of Finance) moved the second reading of Bill C-122, to authorize the Minister of Finance to make payments to the governments of the provinces and to authorize the government of Canada to enter into tax collection agreements with the governments of the provinces.

He said: Mr. Speaker, I appreciate the willingness of the house to expedite consideration of this measure on second reading in the manner just now indicated, and in the same spirit I can assure the house that I propose to be very brief.

This measure, Bill No. C-122, was introduced in the house on July 12. That introduction followed a discussion in the committee of the whole on the resolution stage. In introducing the resolution in the committee I set forth at I think some length, Mr. Speaker, the features of the proposed measure and the reasons why the government is asking the house to adopt this measure as one which will contribute and we believe contribute substantially, to an improvement in dominion-provincial fiscal relations.

I think it would be quite superfluous to repeat the reasons which I advanced in the statement at that time. The remarks were recorded in *Hansard* at pages 7910 to 7930. I do not, of course, claim to have occupied 20 pages of *Hansard* with my remarks, but those pages included the quite extensive tables which were placed on record with the consent of the house and which contain quite an encyclopaedia of tabular material in relation to this subject which it was thought would be of assistance to the house in the approach to the consideration of the bill on second reading. I think, therefore, I have nothing to add to the remarks that I made on July 11.

I think I should say to the house that when we reach the committee stage I will be introducing an amendment, and perhaps I should say just a word about the nature of that amendment at this point. In order that the crown in right of the dominion may make deductions at the source on account of provincial tax from payments to its own employees or in respect of other payments made out of the consolidated revenue fund or by an agent of Her Majesty in right of Canada, statutory authority for this purpose is required. It is proposed that the bill be amended to provide such statutory authority. Accordingly, Mr. Speaker, when we reach the committee stage of the bill I shall be introducing an amendment to clause 6 of the bill which will add to that clause a subclause 3. In order that they may have the opportunity to consider it, I am sending over to hon. members opposite copies of this proposed amendment. Apart from these observations, Mr. Speaker, I think that any

further information hon. members may require concerning the provisions of the bill or its purport can perhaps best be offered at the committee stage of the bill.

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, my first words must be an expression of profound disappointment at the brevity of the speech of the Minister of Finance (Mr. Fleming). That regret is not because I am fond of hearing the Minister of Finance but because I hoped to have a rest until half past seven before I was obliged to take up the time of the house again. But the Minister of Finance has told us that except for the amendment, of which he has given us notice, he had his say on July 11 at the resolution stage and he has nothing in particular to add.

I had hoped and had rather expected that the minister would at least deal with those developments which have taken place since his speech on July 11. I refer to the protests that have come from at least half the premiers of the provinces of this country about the inadequacy of the bill from their point of view and about the arrogant manner in which the government has treated the provincial governments and their representations.

Knowing how thorough the Minister of Finance is when he replies to arguments, I had expected that he would attempt to deal with these protests. However, apparently the decision of the government is that the views of the provincial governments as expressed by the heads of those governments are to be ignored. I do not think that some of them can be ignored by those of us on this side of the house and in the course of my remarks I shall have some observations to make about them.

First of all I wish to say something about the measure itself. The purpose of this measure, as I see it, is to do two things. It is first of all to provide for a redistribution to the provinces of certain sums of money that are collected from the national taxpayers and paid into the national treasury, a redistribution of these sums to the provinces to be used in any way the provincial legislatures may see fit for provincial purposes. The other purpose of the legislation is to empower the Minister of Finance (Mr. Fleming) to collect for the provinces which wish to have their taxes collected for them, their income taxes both personal and corporate. It seems to me that this more or less exhausts the fundamental purposes of the bill, though the measure contains a good many ancillary features which can be dealt with at the committee stage.

I think it would not be amiss to say a word or two about why there should be any taxes at all collected by virtue of action of this parliament to be used for provincial purposes. When the Minister of Finance was on this side of the house he used to repeat arguments which have been made in other times and by distinguished Liberals about how desirable it would be at all times to have the taxes imposed and collected by those who spent the money. As Sir Wilfrid Laurier said in 1907 when he was proposing to increase the subsidies to the provinces, that is unexceptionable as a general abstract proposition. I do not think there is anyone who would argue that apart from attendant circumstances there is anything to be said in favour of one body collecting taxes for another body to spend. If we had ideal theoretical conditions that would probably be the way in which it could be done. But, as Sir Wilfrid Laurier also pointed out in 1907, there would have been one little difficulty. If we had adhered to this fundamental general principle there would never have been Canadian confederation and there would be no Canadian nation today. I say this because for all the provinces except Ontario—for all the original four except Ontario—and for every other province which has come into the Canadian union since, the subsidy has been a *sine qua non*. Without it the province could not have afforded to become part of the union. That has always been true, and for more than half a century after confederation the greater part of provincial revenues was derived from the federal treasury. I shall not deal further with that matter because I believe one of my colleagues will have more to say about it. There seems to be in certain parts of the country a profound ignorance of these plain historical facts, though these facts are easily ascertainable by anyone who wants to look them up.

Notwithstanding the fact that the foundation of confederation was subsidies, it happened in the thirties that there was a great recession in this country and for the first time we had to face the necessity either of letting people starve or of supporting them out of public funds on a great scale. The burden of doing this was far too great for any of the provinces to undertake on the basis of the taxation capacity the provinces had in those days. It was, of course, bankrupting to most of the provinces. One of the provinces which now boasts of being more financially orthodox than any other defaulted on the interest payments on its bonds. Other provinces were only saved from bankruptcy by hand-outs from the provincial treasury and, in the case of Manitoba, where I lived at that time, by the imposition of taxation of a severity which no province has ever experienced since. The problem was so great that by 1935 it had to

be dealt with in one or two ways. This was recognized before the election of 1935. The present lieutenant governor of Quebec was, in fact, chairman of a committee of this house which considered this problem of federal-provincial relations in that year. This may seem odd to the ears of some people in the province in which he is now the representative of the crown, but that committee recommended centralization as a cure for this problem. That, of course, has been the historical position of the Tory party, and Mr. Gagnon and Mr. Bennett, in whose government he later served, were, of course, merely following that tradition. But after the election of 1935 a different position was taken by the new government and a great royal commission, perhaps the greatest royal commission ever appointed in this country, was established by Mr. Mackenzie King and Mr. Ernest Lapointe in 1937, the commission which is generally known as the Rowell-Sirois commission on dominion-provincial relations. That commission was instructed to approach this problem from the opposite point of view, not from the point of view of taking services away from the provinces and centralizing them in Ottawa, but from the point of view of finding the means to place all the provinces in a position to perform the services which the founders of confederation intended them to have. That, of course, was the historic Liberal approach to the problem and it has been the Liberal approach ever since. Unfortunately this problem was not finally solved before the second world war, and in the second world war, of course, many of the problems of the provinces disappeared because we had over full employment. During most of the years of the war every provincial government had substantial surpluses and the problem was temporarily obscured. Indeed, the easiest course at the end of the war would have been to go back to the situation as it was in 1937 or 1939 and start all over again.

That was not done. It was not done for two reasons. It was not done, in the first place, because the provincial governments did not want to do it. The man who took the initiative in bringing this question forward was the then premier of Ontario, Mr. George Drew. Neither did the federal government want a return to the old position. They felt there should be a more constructive approach to the whole problem. In 1945 and 1946 a prolonged effort was made to get an agreement on a very broad base. Unfortunately, it was not possible to get an agreement, and the federal government then made certain proposals to the provinces which all but two of them accepted—propositions which had the effect of putting the provinces in funds in order that they might provide their own services. In 1952, when those agreements expired, new agreements based on much the same foundation although somewhat changed were made, and on this occasion all the provinces participated with the exception of Quebec. Ontario, with a new premier, came in in the meantime.

It became increasingly apparent that through no fault of the federal government but through a self denying ordinance of the premier of Quebec of that day these arrangements were resulting in large sums of money being collected in nine and later in ten of the provinces and being disbursed for the benefit of people in only eight or nine. This was a situation which no Canadian interested in the unity of his country could contemplate with anything but sorrow, and the position was seriously aggravated when the financial situation of the province of Quebec became such as to cause anxiety. Because it was not willing to participate in the existing system, the government of that province put a tax on its people and this meant they were doubly taxed and getting no benefit from one of the taxes. I am not criticizing that government for that at this stage at all. I am simply stating the facts.

I well remember that at that time Mr. St. Laurent said one day: "I do not think we can go on being unfair because another government is, in our opinion, unreasonable". He and his officials then devoted a great deal of time and energy to devising a stop gap arrangement. That was recognized as a stop gap and a real search was made to find a better system in 1955 and 1956, accounts of which have been placed on *Hansard* times without number and I do not intend to weary the committee by repeating them now.

In my opinion a very substantial improvement was found. To paraphrase Mr. St. Laurent's words which I do not have here, it was the best thing that had been thought of up to that time. But he did not claim it was perfect. That was the system of equalization.

Now, what is equalization? What is the basis of equalization as it was established at that time? It is very simple. Mr. Harris expressed it very well in one of his budget speeches when he said that what we collect here in Ottawa in the federal treasury is collected from the people of Canada for the benefit of all the people of Canada and that it should benefit all the people of Canada equally and that that is the only basis on which we can safely proceed if we wish to have a united country.

The principle of equalization is very simple. It is that a certain fixed proportion of the revenues from the personal income tax and the corporation income tax, not fixed for all

time but capable of being varied from time to time, should be allotted to the provincial governments. They should not be forced to impose the tax themselves but a certain proportion should be allotted to them for provincial purposes. In addition, any of those provinces where that allotment was less than the average of the collections of the two wealthiest provinces—that is to say, the provinces with the wealthiest taxpayers, on the average—the deficiency should be made up by an equalization payment so that the provincial governments of all our provinces would have, per head, the same amount to spend on their people out of these great national taxes. In other words, equality.

It was not quite equality, however, because to have complete equality one should have taken the highest province. There were certain objections to doing that which were put forward at the time by some of the provincial governments. It was felt that it should be the two highest provinces. I admit that personally I think it would have been more completely fair to have taken the highest, but it made very little difference because it was averaged not just between the two figures but with the population taken into account, and when that was taken into account the difference was slight whether Ontario was taken alone or whether Ontario and British Columbia were taken together.

That was the principle of equalization that was embodied in the statute of 1956. Indeed it was the basis of that statute but it was not the only basis. The statute of 1956 gave to the provincial governments a greater freedom of choice of physical expedients, plus equalization, plus redistribution from the federal treasury than any other scheme before. But equalization was paid as a matter of right. No province had to come and apply for it. The provinces did not have to sign for it. It was paid as a matter of right. Any province that wished to do so could rent to the federal government any of the three tax fields, the personal income tax, the corporation income tax or the succession duty, and not impose a tax, or it could impose any or all of the taxes, as it saw fit.

There was complete freedom. In addition to that, any province could impose any additional tax it liked although it could not get an abatement of such tax. In other words, no strings of any kind were attached except those which the provincial governments themselves wished to place upon their own freedom of action because they felt it was a better deal for them.

No province suffered through not making a tax rental agreement. The tax rental arrangement was a purely optional matter. The only thing about that which was completely new and really important was the equalization. Coupled with that, of course, there were certain provisions for stabilization.

I do not know whether or not some of the provincial premiers had a prescience about what might happen after 1956 or 1957 but some of them seemed to wish a floor on what they would get. I am sure that if they had been confident that the Liberal government was going to stay in office they would not have worried about a floor because they would have expected the kind of progress, expansion and growth which there was under the Liberal administration in 1956; but perhaps foreseeing what would happen in 1957 and fearing the financial mismanagement of the country after that date, they insisted on having a floor which was called stabilization, and this was provided. I shall not go into the details of it because this subject is not before us at the moment. As a result of what happened under the present government some of the provinces had to rely upon that stabilization to some degree and apparently are going to increasingly rely upon it.

We were told in 1957 during the course of a celebrated election campaign that all this was going to be changed, that a new era was going to dawn in federal-provincial relations, that if the Conservatives won the election there would be a state of harmony between the federal government and the provinces which had not existed before, that very much greater latitude would be given to them, that their revenues would be substantially increased and that the revenues of the federal treasury would be correspondingly reduced. Of course, this was all going to be done out of these great surpluses that the Liberals had so wickedly been building up over the years. It is perhaps not surprising that these great expectations were not fulfilled. Perhaps one cannot accurately describe them any longer as expectations; they are simply historic relics today.

Some of us recall these events and perhaps it is worth while reminding hon. members of the committee of some of them. At Massey Hall in Toronto on April 27, 1957 the present premier of Ontario was on his feet to address the opening Conservative rally of the election campaign of that year. What did Mr. Frost say? He said:

> We have been compelled to impose unfair taxation on our people because of the failure of the federal government to face up to our problems—

Not "its problems" but "our problems". I continue:

> —these are going to increase unless a just solution is found and the man who is going to find that solution is this man who is sitting on the platform.

Well, "this man" is now the Prime Minister of Canada. The solution to Mr. Frost's problem, as everyone in this chamber knows and is reminded of every time he makes a purchase in any shop in this province today was not found, except indirectly, by this man. Indeed, of all those who were disillusioned and disappointed by the outcome of the promises of that fair spring of 1957 there could be no more disillusioned man than the retiring premier of Ontario.

Mr. Drysdale: How much tax do they pay in Quebec?

Mr. Pickersgill: I do not know how much the tax is in Quebec; I happen to live in Ontario. I know the tax was not going to be imposed if we got a Tory government in Canada. This man was going to come up with another $100 million without any provincial taxes.

Mr. Benidickson: He did not.

Mr. Pickersgill: I have described those great expectations which ended up in mere historic relics.

Mr. Pallett: Look around you.

An hon. Member: Seven per cent in British Columbia.

Mr. Pickersgill: Of course the people of British Columbia swallowed the same kind of guff and look what they have there, as the hon. member has taken the trouble to point out.

The plain fact is, of course, that we were told that right after the election in 1957 there would be a federal-provincial conference. It would be the first thing that would happen. Well, it happened in November 1957 and, lo and behold, instead of a solution there were a few platitudinous observations made by the Prime Minister at the beginning of that conference and then the premiers stated, as they had been encouraged to by the election speeches, what they thought they ought to get out of the treasury, and then they got a cold towel in their faces from the Minister of Finance who had been adding with that capacity to add which we know is unrivalled in this country. He had found out how much this was going to cost and he told the premiers what he felt it was going to cost and suggested that they go home. He promised that they would be back in January.

Mr. Fleming (Eglinton): I never suggested that anybody go home.

Mr. Pickersgill: If the minister does not think his speech was a suggestion to them to go home he has a very poor capacity, as I think he has, to calculate the effect of his own performances. At any rate, they came to pray and they went home to mourn. But they were told they were going to have another chance. This great harmony, this agreement, this understanding that was going to be reached, this new era of brotherly love and harmony between provincial premiers and the government of Canada that was to be ushered in in 1957 was going to come in 1958 at the next conference.

We know what the next conference was like. The next conference was held by way of the telegraph companies, and some of the premiers were not even present on time; they read about it first in the newspapers. The minister told them they were going to get a small slice on account of the great expectations and they were going to get it right away. They were not going to be consulted about it; it was going to be put through parliament quickly, and in the words of the minister, not on that occasion but on previous occasions, they could take it or leave it.

Well, of course, it was money; it was some more money and they took it. It was also before the 1958 election, and that is all they have ever seen. Then we had the great period of the minister's study groups, and that went on for a long time. Finally it was apparent that this whole business could not be stalled off much longer, and in 1960 the provincial premiers were again called back to Ottawa for another round. Before they came here the minister was asked whether this was with a view to improving the existing arrangements which had been so dreadful, of course, before 1957, but which were carried on all during this period, and the minister said, "Oh, no, all these agreements are in operation; this is for the next period after March 31, 1962." The premiers came here and I am sure they expected to be told what ideas were in the minds of the federal government. Well, they did not get any ideas; they did not get any suggestions in detail but they did get an assurance—and I want to read it and put it on *Hansard* because I think this is one of the most solemn assurances ever given to the provincial governments by any Prime Minister in the history of this country. This assurance will be found on page 10 of the report of the proceedings of the dominion-provincial conference, 1960. It is part of the opening speech delivered by the Prime Minister as chairman of that conference, and the pledge reads:

> I want to make this abundantly clear on behalf of the dominion government that whatever the ultimate decision may be the principle of equalization must be preserved.
>
> Equalization, the second component, is a payment by Canada to the provinces to bring the per capita return from the three taxes at standard rates up to the average per capita yield in the two provinces in which per capita yield is highest.

For provinces in which the tax potential is relatively low, this principle is the most important. It might be noted in passing that earlier arrangements did not recognize the principle of equalization explicity although it was to some extent implicit in the "per capita" basis of payment.

An then, these words:

Again I wish to emphasize that the federal government remains firmly committed to the principle of equalization and of financial assistance to those provinces in which incomes and taxable capacity are below those of the richer provinces.

What has happened to that pledge I will deal with in the second instalment of these remarks.

PROCEDURE

SECOND REPORT OF SPECIAL COMMITTEE

Mr. Speaker: Before I leave the chair may I ask leave of the house to table in English and in French the second report of the special committee appointed to consider with Mr. Speaker the procedure of the house.

Some hon. Members: Agreed.

Mr. Benidickson: Is there to be a debate on it?

Mr. Speaker: If the house would permit a motion to bring the report before the house, for its consideration, to be put on the order paper for tomorrow, the report could be dealt with then if the house wished.

Mr. Benidickson: It would make it possible to do so.

Mr. Pickersgill: I understand, sir, that it would be printed in *Votes and Proceedings* so that every hon. member would be enabled to read it tomorrow before we would be expected to deal with it. This is my understanding, and it would seem to be a reasonable course.

Mr. Speaker: By leave of the house the motion to approve the report will be put on the order paper and the report will be printed in *Votes and Proceedings* and be available to all hon. members for tomorrow.

Some hon. Members: Agreed.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at 7.30 p.m.

DOMINION-PROVINCIAL RELATIONS

AGREEMENTS RESPECTING TAX COLLECTION, ANNUAL GRANTS, ETC.

The house resumed consideration of the motion of Mr. Fleming (Eglinton) for the second reading of Bill No. C-122, to authorize the Minister of Finance to make payments to the governments of the provinces and to authorize the government of Canada to enter into tax collection agreements with the governments of the provinces.

Mr. Pickersgill: Before we adjourned at dinner time, I had just read the undertaking that had been given by the Prime Minister (Mr. Diefenbaker) on July 25 and which appears in the proceedings of the dominion-provincial conference for the year 1960. I had expressed the strongest possible approval of that pledge. I did so at the resolution stage and I want again to make it very clear that I do not know of any better definition of equalization than the definition that was given by the Prime Minister. Had he stuck to the position he had taken on July 25, 1960 in this solemn undertaking to the provinces, I do not believe we would have had a very long debate tonight. While all the provincial governments would no doubt be anxious to get a larger share of the tax money, they all would recognize as was recognized certainly by the opposition in this house, that the basis of this equalization was just and fair. This basis was accepted by the government for four years.

Now, I do not want to leave out another aspect of this matter. It is true that in 1958, for the fiscal year 1958-59 and subsequent fiscal years up to the present one, the present government did increase the amount of the equalization. They did not change the basis in any respect whatever from the basis that was established on the recommendation of Mr. St. Laurent and Mr. Harris in 1956. However, they did increase the amount and that increase was undoubtedly a very welcome increase to the provincial governments. It was a good deal less than they would have liked to get. I might say parenthetically right here, and I am looking at a former provincial premier as I say this, that as long as we live in this vale of tears where men are imperfect, we will never have provincial governments completely satisfied with the share of the total revenues that is available to them. If they were satisfied I am afraid that many national services would be starved. This is something that anyone with any experience in these matters has to recognize.

It was recognized in 1956 by all of the premiers, even Mr. Duplessis who on all previous occasions had taken a completely intransigent attitude that this was such a marked improvement and that he would take the money, and he did take it. It was a very good thing for him that he did because he would not have been able to carry on much

longer without it. It was a very good thing for the people of Quebec, too, that he did. The fact of the matter was that every premier at that conference recognized that the new basis of equalization was a great improvement over the old tax rental system. I think it is fair to say that there was no premier who would have been caught dead admitting that he had got quite enough. It might be that in retrospect they did not get quite enough. I would not be prepared to argue that point very strenuously. It may be that in the circumstances it might have been better to make the dividend a little larger than it was.

However, I am talking about the principle, and as I say this principle has been continued up to the present. There was an improvement made in the amount, quite a substantial improvement in 1958 by the present government. The present government did something else in 1958 for which I have never ceased to give them credit. I spoke for our party on this matter when the measure was first before the house and I expressed our approval of it. I commended the government for it and I have commended the government for it ever since. It is really about the only thing I can commend this government upon wholeheartedly, and its unique character makes me all the more willing to do so. I refer to the Atlantic provinces adjustment grants. I say theoretically and I also say in a practical sense that I believe it would have been better if suggestions such as those which were made by Mr. Henry Hicks and by the then premier of New Brunswick (Mr. Flemming) who is now here, to establish these payments on a basis of principle had been accepted. I think those suggestions would be better than the fixed amount. I also think that it should apply in theory—I hope it would never apply in practice—to any province that found itself in similar circumstances. I think that would give it a wider and solider foundation. I am not seeking to embarrass him but I doubt that the Minister of Forestry (Mr. Flemming) would disagree much with that statement. I know there are many people in the Atlantic provinces who agree with me. But notwithstanding that fact, substantially the same end was achieved by what was done.

At that time it was stressed by the government that equalization alone was not enough to meet the special needs of the Atlantic provinces and that something in addition to equalization was needed, and I stress this point. The two things were kept quite distinct. The minister emphasized that fact very strongly when he put the matter before the house, namely that they were quite separate and distinct things, and that this was something new done by the new government. It was something new and it was something which was very creditable. I doubt perhaps whether they would have done it with the same alacrity if they had had then the majority which they had after March 31, 1958. However, that is entering the field of speculation and perhaps I should not do so. I should underline the fact that they have done nothing more for the provinces since then. Once they obtained a majority they just stonewalled the provinces up until the time they finally called the conference for the next round in 1960 and they put nothing before them in July except a few pious platitudes.

Then came the debacle in October. What happened in October was this. I suppose it must have been one of those days after the Minister of Finance (Mr. Fleming) had had a bad night, when he had been thinking about his successive deficits and the terrible situation into which he had got the finances of this country. But at any rate the government decided to go right back to 1867. They said, "No more of this progress, no more of this improvement with the growth of the country, no more of this improvement with the growth of population." They said, "You will get $220 million this year and this is all you will get from now on." They said, "Of course we are not saying this is final. This is just a suggestion. We hope you will take it kindly. You can get together and divide it up in any way you like." This is the way in which you get harmony. You toss a bone to a number of—perhaps I should not describe the premiers in that way. Perhaps I had better pause, Mr. Speaker, in that analogy and let each hon. member go on for himself. As a device for the promotion of harmony, to say to 10 provincial premiers "You can have this much money; now you go off by yourselves and divide it up", I cannot think of any better way to get discord than that. It really is infallible. It is sure. It is bound to work and it did work, but not exactly in the way in which the government expected it to work. They did not get harmony but they got unanimity. As the Leader of the Opposition (Mr. Pearson) pointed out at the resolution stage, the premiers were just falling over one another in condemning the government for the treatment they received at that conference. We all remember the Toronto *Star* and the anthology they had. The Minister of Finance remembers it well. He rises and denounces it every time it is mentioned. But there they were in black and white, what each of them said about it. I do not need to put it on the record again. It is in *Hansard* of last July 11 for those who care to read.

Mr. Chevrier: Unanimous condemnation.

Mr. Pickersgill: As my hon. friend the Acting Leader of the Opposition has said, it was unanimous condemnation. The government was rather nervous about it. Then Mr. Frost was pressed to bring down his budget in January. He rose in his place in the legislature one day in January and said, "I cannot bring down a budget because the government at Ottawa cannot make up its mind what it is going to do and I cannot bring in a budget until I find out what they are going to do." Then we asked the usual questions which it was the duty of an opposition to ask, and we received the usual replies which we receive from this government and which are not very illuminating, that some time in the future in due course if we are good boys, we would be told.

Then there was going to be a supply day the following Monday. Apparently the Minister of Finance or some other member of the government either heard or guessed that the opposition might bring in a vote of want of confidence based on federal-provincial relations. What a scurrying around there must have been over the week end because finally the minister came into the house that day and he could hardly contain himself. Of course, he does not sit in the corner but in every other respect he was like Little Jack Horner. So all of a sudden, out came the plum, namely this letter to the premiers. They had not had time to get it then. He was taking no chances with the post office or the Canadian National Telegraphs. He was getting it out through parliament. This letter told the premiers that there was going to be another conference that Santa Claus was not quite dead after all, because there was going to be what was called a growth factor in the equalization. We were having a debate, Mr. Speaker; and in the olden days in Canada the purpose of debates in this house used to be to illuminate a subject and to inform—

Mr. Bell (Carleton): The hon. gentleman changed that.

Mr. Pickersgill: No; that was changed in June 1957.

Mr. Bell (Carleton): No; it was the hon. gentleman.

Mr. Pickersgill: It was changed in June 1957. Now the purpose of debate, as we have seen earlier today in another context is clearly to obscure every issue. But at any rate we asked the Minister of Finance—

Mr. Pallett: The hon. member has occupied the floor most of today.

Mr. Ricard: When was closure applied?

Mr. Speaker: Order.

[Mr. Chevrier.]

Mr. Pickersgill: We asked the Minister of Finance and we asked the Prime Minister for a couple of days—

Mr. Ricard: When was closure applied?

Mr. Pickersgill: I am just wondering, Mr. Speaker, whether you may not be impelled in the circumstances to remind the hon. gentleman. As I was saying—

Mr. Ricard: What were you saying anyway? Tell us what you were saying.

Mr. Speaker: Order. The hon. member who has the floor is entitled to an uninterupted hearing.

Mr. Ricard: Go ahead.

Mr. Pickersgill: As I was saying, we sought to find out what was meant by growth factor. We tried every device that was known to an opposition to get the definition of it. We obtained none. I think there is only one reason why we obtained no definition, namely that the government had no idea what the growth factor was going to be. They were faced then, as they are faced every so often, with a deadline which they were obliged to meet, just like the deadline that is coming in three or four days with regard to the C.N.R. presidency. They were faced with a deadline. Then at the last moment, just as the clock was about to strike 12, they had to produce something so they called it a growth factor, but they did not know what kind of growth factor it was going to be. They had not even decided what kind of fertilizer to use at that time.

Mr. Cardiff: There is a great deal of it flying about now.

Mr. Pickersgill: All they knew was that if they stuck by this principle that they had proposed in October, this $220 million and no more, they would have had the whole country against them, led by the premier of Ontario. So they had to do something about it. When the conference came in February they produced the scheme that they have now produced and which I intend to try to analyse very briefly and in a non-statistical way.

I think we have to start from the premise that the government was very irked by certain effects of the equalization plan. They were very irked by the fact that a very considerable equalization payment was made to the government of Quebec. Somehow or other they do not seem to have the same enthusiasm for the government of Quebec that they had in May and June of 1960. I do not know why, but they do not.

They were also very much irked in more ways than one by the government of British Columbia. They felt that government ought

to be taught a lesson. They were apparently outraged by the fact that the government of Alberta got a substantial equalization payment and they felt something had to be done about that because Alberta was apparently considered too rich to deserve it.

They were also concerned about the fact that somehow or other, without spending much money, they had to scratch around and find a little more for the premier of Ontario; not, of course, what they had promised; not what the advertisements had promised in 1957, but another dividend. He was getting pretty restive after four years and he was not going to be content even with the sales tax unless he got some more out of the federal treasury; not directly, because Ontario got nothing directly, but indirectly from the federal government withdrawing from the field and leaving him to cultivate it at no extra cost to the taxpayer.

So they devised a scheme which they were pleased to call equalization but which is an utter travesty of equalization. They decided, instead of equalizing revenues so that all Canadians wherever they lived were treated alike, to use the national average as the basis. What effect did that have? That had been one of the formulae that had been considered in 1955 and 1956—I know that very well—and rejected because it was so unfair. But the government decided to try to use it. They got results from using it which would have been so unfavourable to the poorer provinces—in fact, to half the provinces—that they simply did not dare to produce that by itself.

Even so it was not doing enough harm to Alberta's position. Therefore they thought they would bring in some notion of taxes on natural resources. They got from the bureau of statistics some mysterious figure, and then they tossed it into the salad, mixed it up a little bit more and got the machine to crank out a figure to see how that worked. That did the trick as far as Alberta and British Columbia were concerned. It cut them down. It of course improved Ontario's position quite materially; and it cut Quebec down, which they were very anxious to do. This would have been fine, but it also cut down Manitoba. They just did not see how they could possibly cut Manitoba down.

Mr. Benidickson: They were following John then.

Mr. Pickersgill: After all, Manitoba had a Tory government. So they had to start the mixer working again and see if they could throw something else into the hopper, some other factor of some kind or other, and get something that would come out politically right. Whether is was just, whether it was fair, whether it was based on any principle did not matter, as long as it would bring the right political effect.

Then they said, "Well, if any province under our new scheme is going to get less than it got under the old scheme, it can stick to the old scheme". That fixed up Manitoba. Well, it did not fix up Manitoba, as I will show in a minute, but at least it did not make Manitoba's position quite as bad as it would otherwise have been. But of course it had the terrible disadvantage that it applied to Quebec also, and to Saskatchewan.

What has happened, sir, as a result of using all these shenanigans instead of following a basis of principle? All these various factors were put in to try to achieve at no cost, or very little cost to the treasury, some predetermined result. Then there was another gimmick for the Atlantic provinces. Of course, under this new equalization formula they were away below what they would have been under the old formula. So the minister said, "Toss them another $10 million under the Atlantic provinces grants and call it equalization. Mix it all up together. Then say, after mixing up the equalization, the Atlantic provinces grants and everything else, that they are not to get any less than they got before". We remember when the minister brought in the Atlantic provinces grants. In the first place he said they were separate from equalization. They were—

An hon. Member: Which you approved.

Mr. Pickersgill: Which we approved and which I still approve. He said they were something separate and distinct, which was needed, quite apart from equalization. But now they are in the mix, in the salad, as the machine turns around.

This had a wonderful effect because it really produced a result that was better for Prince Edward Island, and for Nova Scotia for the time being it was quite a considerable improvement. For Newfoundland there was some improvement, too, especially when account was taken of something that should never have been connected with this in any way whatsoever; that is what Newfoundland is entitled to as its constitutional right under the terms of union, which has also been mixed up in this formula.

However, it had this wonderful effect, that it really cut New Brunswick down. What was given with the one hand was taken away with the other. For some reason or another New Brunswick was not quite so popular with the present government after June, 1960 as it had been before. So they got another nice little political gimmick worked into this.

What is the result? The result, as the minister showed in the tables he put before us on July 11, is that the difference between the old scheme as projected for this year and the new scheme is $17 million approximately. It is costing the treasury $17 million more, and of that $17 million Ontario gains $18 million and the rest of the provinces lose $1 million. Stripped of all the other elements, that is what happened. That is shown in these tables.

Mr. Benidickson: But Ontario did not get $100 million.

Mr. Pickersgill: Ontario, of course, was very far below what "this man"—to quote the premier of Ontario, as I quoted him before—was going to produce. What did Mr. Frost do? He brought down his budget then, after this scheme was out. He decided the game was up. He brought down his budget and as a memorial to the Diefenbaker-Fleming government he established the sales tax. Being a realist and a politician he took good care to point out that it was not his fault that this sales tax was imposed but that the fault lay elsewhere. There is no doubt that as compared with the expectations he was properly entitled to say the fault did lie elsewhere.

Let us look at the result by provinces. British Columbia and Alberta, because they are above the national average, are actually going to get less next year than they are getting this year. Quebec, Manitoba and Saskatchewan will get precisely what they would have got had there been no change whatsoever. New Brunswick gets very little more than it would have got had there been no change—substantially less than a million dollars. The other three Atlantic provinces will get substantially more for the time being. As I say, the one big gainer is Ontario. If the federal government had been prepared to recommend that the provincial government should get a larger share of the tax revenues than they were getting before, if they had felt they could afford to make such an offer, I would not begrudge it to any province on a fair basis, but I do not think anyone could argue that to increase the total amount by $17 million and have $18 million more go to one province is the way to promote that spirit of justice and fair play or that harmony which the Prime Minister promised would be the result of his substitution for the previous administration.

I had hoped—but I have gone on too long—to say something about the attitude of the various provincial premiers toward this proposal. However, most of the provincial premiers are articulate and have made their views known. It is certainly not a happy chorus that we hear. Not one of them has expressed himself as satisfied. As I said earlier, I do not think that is to be expected. Unlike the Minister of Finance (Mr. Fleming) and the Prime Minister (Mr. Diefenbaker) who were convinced that if they could only sit over there they could make all the premiers happy, I never thought that was possible. I do not think hon. gentlemen who sit on the treasury benches think so now, either. If they do, I advise them to go out and have another interview with Mr. Bennett—if they can find him. There are other premiers whom they could visit. Nothing would give me greater pleasure, for example, than to be able to eavesdrop at the door when the premier of Manitoba is expressing his real views about the way Manitoba has been treated by this government. If there is one government which has loyally, almost slavishly, supported the present government it has been the government of Manitoba, and it has got nothing but kicks, delays and lack of consideration for its pains. Evidently, the view is: you can count on good old Duff. He said "Where Dief goes, Duff will go, too." So there is no need to do anything for him. That seems to be the attitude toward Manitoba and it has been well reflected, I may say, in the treatment of Manitoba in this whole situation. Knowing the way this government approaches all these problems, perhaps one cannot blame them for taking an attitude of that kind toward the government of Saskatchewan, but one would have thought there would have been a little decent feeling toward poor Duff.

There is just one other thing I want to say. The Minister of Finance, speaking on the resolution stage, made one or two of his usual modest and accurate claims in regard to this matter and I think I should say a word or two about that. The minister said, as reported on page 7910 of *Hansard*:

> Although it has greatly improved the financial substance of the present arrangements this government has recognized the weaknesses of the tax rental system which it inherited, both from the provincial and federal standpoint, and has become increasingly convinced of the need for a new approach which would give greater freedom and responsibility to the provincial government and which would be compatible with the constitution.

I may say that this government did not inherit the tax rental system at all. The tax rental system as a system of redistributing revenues was abandoned by the previous government in 1956 in favour of equalization. That was done by the previous government, and no province was financially the loser, whether it had a tax rental agreement or

not. The tax rental system was a pure convenience, and nothing more, from 1957 onward. It was an option which the provinces could take if they wished. No province had to take it in order to get the benefits of the equalization scheme. That is well known to the Minister of Finance, yet he talks jargon like this. Mr. Drew and Mr. Duplessis had a point in 1945 and 1946 when they said that in order to get the benefits of this scheme they were compelled to sign an agreement. But that was all done away with by the previous administration in 1955 and 1956.

Mr. Ricard: What did you say, then?

Mr. Pickersgill: In 1955 and 1956 I supported the abandonment of the tax rental system for the equalization system, though at that time the change was attacked and opposed by the Minister of Finance and by most of his colleagues who were in the house at that time. The plain fact is that the tax rental system has been nothing but a convenience from April 1, 1957, onwards, and there were no tax rental agreements except with those provincial governments which wanted them because their people did not want duplication of taxes.

There is only one reason why these arrangements have been abandoned by the present government in favour of this tax collection system, and it is this: it is because the minister has these mountainous deficits and wants to get a statistical reduction in his expenditures and in his deficits and create a statistical situation which would be different and which would be to this advantage. That is the only reason why the people of those provinces which do not want to abandon the convenience of the tax rental arrangement are being denied the opportunity of continuing those arrangements. This is not going to change anything. It will change nothing to have the taxes imposed by the legislature of Manitoba, say, and collected by this government. It will have no effect except that the minister can come here and say he has saved two or three million dollars in this way while the provinces have inflated their budgets. The minister will go around boasting that this is a real economy when it is nothing of the kind. Really, it is a cheap political dodge.

The other thing the minister says is that this will give the provinces greater freedom. As to that, under the present arrangements Quebec, Manitoba and Saskatchewan have no freedom at all. I selected those three provinces for the reason that they got more under the old arrangements than they do under the new one. They would have to put their taxes up astronomically before they could make any gain. By putting up their taxes all they would do is to save the minister some real money. In other words what this new scheme has done has been to put Quebec, Manitoba and Saskatchewan into a strait-jacket they were not in under the old equalization system. That is really fundamentally true, too, for the Atlantic provinces as I think the minister will see if he has had time yet to read the correspondence that was tabled the other day by the Prime Minister.

Mr. Fleming (Eglinton): That is fundamentally untrue.

Mr. Pickersgill: The phoniest part of this whole business was expressed by the minister in this way as reported at page 7911 of *Hansard* which may be summarized as follows: In short, the provinces would reassume their constitutional rights and responsibilities to impose and vary their tax levies as they saw fit.

In the first place, no province ever gave up any of those rights at any time.

An hon. Member: What about the War Measures Act?

Mr. Pickersgill: Not even under the War Measures Act. No province at any time in the history of this country has ever given up its constitutional right to tax; never, under any system. It is true that in return for very substantial payments which in every case amounted to more than the province could have raised from an equivalent rate of tax that the provinces voluntarily agreed not to impose—

Mr. Ricard: What is that?

Mr. Fleming (Eglinton): Such hair splitting.

Mr. Pickersgill: This minister dares to talk about hair splitting.

Mr. Fleming (Eglinton): The hon. member is engaged in hair splitting.

Mr. Pickersgill: This minister whose words I have been analysing to some extent dares to talk about hair splitting. Let me tell the hon. gentleman that proof of the fact that no province ever gave up any constitutional right is that Quebec would never enter into these agreements. If any constitutional rights had been taken away, surely they could not have been taken away from some provinces and not from others. The fact of the matter is that in 1947 the government in its wisdom saw fit to make offers which could be accepted or rejected for the rental of these tax fields and in every case, with respect to every province, what was paid for them was a good deal more than that province could have raised out of taxation in this field. Those are the facts.

Mr. Ricard: Take it or leave it.

Mr. Pickersgill: Yes, the hon. gentleman is perfectly right. That is exactly what it was. There was no compulsion, they could take it or leave it. But what they could take or leave was a figure arrived at after two years of thorough discussions, a figure that was about 50 per cent higher than the figure suggested at the original conference in 1945, and a figure far beyond the dreams, hopes or expectations of any of the provincial premiers before that. It was the greatest advance ever made. Of course, it was not at all perfect and had grave imperfections to which I have referred. I have attempted to be very fair about this matter, sir. I have pointed out how at various stages these imperfections were taken away and I say there would have been more to take away. I am perfectly confident that if Mr. St. Laurent and a minister of his government had this thing to do again there would be no abandonment of principle in this matter. We would have stuck to sound principles but there would have been improvements in the scheme.

The minister said the provinces would reassume their constitutional rights and responsibilities to impose and vary their tax levies as they saw fit. It is true that Ontario can impose them as it sees fit. It has imposed one to make it fit, because it could not get the "fit" it was promised by this government, as has been pointed out and as we all know. Even people from outside Ontario who come to the capital contribute to make up the deficit created by the failure of the expectations of Mr. Frost as a result of those large promises made in the spring of 1957.

What we have had here is a poor substitution for a system based upon principle, equity and justice, a system which on July 25, 1960 the Prime Minister solemnly promised would be continued. Everybody believed it was going to be continued. We have had a melange, a salad, politically concocted to suit the convenience of the present government, based on no principle whatever and based upon a "growth factor" that the government itself was unable to define for at least three weeks after it invented the phrase.

We have had in this scheme not merely a substitution of a vastly inferior arrangement for a fair and equitable one but also a repudiation of a solemn undertaking given by the Prime Minister to the premiers of the provinces in July 1960. I say that a measure of this kind does not deserve the support of the house and, for my part, it is a measure which I could not possibly support.

Mr. Walter Pitman (Peterborough): Mr. Speaker, it was with some shock and disappointment that this afternoon we found the Minister of Finance (Mr. Fleming) unwilling to say any more about the dominion-provincial relationship in fiscal matters which had been brought before the house some months ago. For a period of three months no discussion has taken place on this matter. Hon. members were given to believe and I think the Canadian people certainly believed that this was a matter in respect of which there would be considerable give and take, a matter in respect of which there would be negotiation and in respect of which the ideas and concepts of the provincial premiers would be taken into account. It was believed that their arguments and suggestions would be weighed against those of the Minister of Finance and his experts and that out of this amalgam, out of this long term period of thoughtful soul searching a new proposal would be brought forth. And yet, although only two of the ten provinces are going to be helped by this proposal and although seven of the provincial premiers have come out publicly against it, the Minister of Finance chooses to say nothing. One might almost believe that the words which appear at the base of the coat of arms of Canada might no longer be "a mare usque ad mare", but "take it or leave it".

We hoped there would be a wide discussion this afternoon and evening but there will be none and therefore it would seem that we are back at the point where we were last June when we discussed this at the resolution stage.

I am not going to take up the time of the house by reading what provincial premiers have said, by bringing forward statistics, by reading from editorials which appeared in newspapers across the nation. I simply wish to point out the three great principles which we believe these proposals violate. First, they will not over the years give provinces sufficient money to carry out their constitutional tasks. Second, they will not ensure that an individual living in any part of Canada will have equal opportunity for all the various services with every other individual in any other part of Canada. Finally, they are a negation of the principle that the dominion government must assume responsibility for fiscal and monetary planning at the national level which will ensure a full employment society and a better way of life.

As the Prime Minister took us back through history this afternoon and recounted with some validity, although I must say it was a misuse of history to some extent, that the party now in power had always had progressive views in the area of railways—as I say, it had a certain measure of validity—I could not help thinking of that area where the first

prime minister of this nation certainly had one blind spot, and that was in the area of federalism because Sir John A. Macdonald saw the provinces as merely large municipalities. Indeed, Sir John A. Macdonald would have been just as happy to see no provinces at all, no federal system at all, but rather a unitary state set up within the boundaries of this country. As a result, I think we have a kind of historic blind spot when it comes to dealing with the problem of federal-provincial relationships on the part of this government.

We in this group believe that there is a role for the provinces, and it is more than simply accepting conditional grants; it is more than simply carrying out the administration of federally initiated programs; it is more than simply a level of government which transfers money from above to below. We believe that the provinces can play a very dynamic role. In fact one might even suggest that the length of time we have sat in this chamber would indicate that perhaps the dominion government has bitten off more than it can chew. We have debated many things which will be redebated in all the provincial legislatures. While the provincial legislatures sit perhaps eight, ten weeks or 12 weeks, we sit from November to the following September. One might wonder whether a redivision not only of money but also of time, energy and talk might well be one subject to which we could put our minds.

To return to the first point, we believe that the twentieth century and all the problems of the twentieth century in an industrial society demand to quite an extent monetary and fiscal planning at the national level, which may not be enough. We are handicapped by giving over taxation responsibilities to the provincial governments. We feel that there must be some form of anti-cyclical budgeting. This is, of course, what we have been appealing for in vain over the last two or three years. But now that the recession is over this is the time when we shall need, and need very badly, what might be called a slowdown, possibly by means of fiscal and monetary policy, to stop a galloping inflation or a galloping expansion, and a realization that fiscal and monetary policy at the national level can accelerate our economy if such a recession should occur again. We feel that by giving over these powers in certain areas, as has been done by this system, the dominion government will be in a very serious position when it comes to adjusting the economy of this nation and finding a pattern whereby this nation's economy can find solutions in the coming days. This is the first reason and the first principle which we feel these dominion-provincial agreements violate.

The second, of course, and perhaps the most important is that of equalization. In spite of all the protests of the Minister of Finance and his experts, the form of equalization which is suggested by this system is not equalization at all, as has been stated already. He that hath will be given more.

It must be recognized that in a country the size of Canada, with its tremendous differences in resources, with the effect that national policies, tariffs and transportation will have on various people in various sections, some adjustment must be made. We believe that the adjustment of equalization that has been established over the last 20 years or so is one of the most valuable contributions that this nation has made to the whole concept of federalism throughout the world.

We believe—as I am sure all hon. members believe—that a man in no matter what part of Canada should have the same opportunity for the same kind of health services; that any young person should have the same opportunity for education; that all the opportunities for progress should be the same in each province. We believe that this change in the equalization system will not bring this about. All must share in the nation's wealth. This is where we feel this system very sadly indeed negates what has gone before. Surely, Mr. Speaker, during the 1930's this nation fought its way through with a constitutional division of powers and fiscal powers which made it very difficult indeed to deal with the unemployment and other dreadful problems of that era.

The fathers of confederation knew nothing of the difficulties of the twentieth century; but at the end of that period we came to a solution, and the Rowell-Sirois report stands as one of the great symbols of Canada's looking ahead at that point. Unfortunately the second world war came along just at the time when Canada would have taken a major step in the direction of equalization. But at least during the war we did make, I think, very important plans to adjust our policies to give a high degree of equalization.

The Rowell-Sirois report, of course, expected experts to be able to base the equalization on need. Whether that is possible I do not know. Whether we can determine the need of Newfoundland fishermen with respect to that of say the western farmer, and that of the British Columbia lumberman with that of the Ontario labourer. I do not know. I am not sure whether that can be done. But surely we have been moving in that direction, a direction which I do not think anyone in Canada wants to have reversed. That was the watershed of dominion-provincial relations, and it was with the greatest sadness and the

greatest concern that this party has seen a reversal of that trend since that most important watershed. We believe that it will have the most serious effects as the smaller provinces, or the less wealthy provinces, are forced to raise their taxes in areas which will be unpopular. We know, Mr. Speaker, that this is not a popular subject anyway. Dominion-provincial relations always are politically unpopular because they come right down to the pocketbook of the individual Canadian; they come right down to the most unpopular task which any government has to do, and that is collect taxes. But surely, in the enlightened age in which we hope we live this should not stand in our way in continuing the trend which has been moving in the last years toward greater and greater equalization.

As the poor provinces increase their corporation taxes, their succession duties, their sales taxes and so on, industry will move to those provinces which can afford not to increase them. We will have more concentration of industry in the rich provinces and the rich provinces will get richer and the poor provinces will become poorer in spite of any protests in the opposite direction. This is the second reason why this party believes that this is a backward step. We believe also that it will create a jungle of taxation. Someone called it the jungle of the 1930's.

We do believe that without at least some order in the tax collecting policy of this country, there will be chaos. We feel that this would be most unfortunate and most unjust.

The third and final reason we feel that this is a negation of government responsibility is that over the years the provinces will lose their power to carry out the real objectives of their existence. We deny that the system will provide more money to the provinces. The Minister of Finance says that in the last few years of recession the opportunities for taxation have decreased and so the opportunities of the federal powers to give money to the provinces have also decreased. Surely, Mr. Speaker, this situation exists as well in so far as the provinces are concerned. No doubt the provinces have had to increase their taxes and apply sales taxes or gasoline taxes whereas, according to the Minister of Finance, the federal government has been able to lower its taxes. The burden on the provinces, therefore, is even greater. We would hope that this government is not now, at this stage of its administration, deciding we are going to have a continued recession and that this will continue to be a problem over the years in terms of adjusting our relationship with the provinces.

We feel, and I think very properly, that for these reasons the democratic party cannot support this particular proposal. We feel that it will emphasize the disparity in the levels of prosperity in the various provinces. For example, the 5 per cent increase will yield $2.50 per capita in Ontario but will yield only 60 cents per capita in Newfoundland. The Minister of Finance has decided he will say no more. He indicates that he will stand where he did last June. We have put our position and we feel this is unfair to the provinces. We feel it destroys equalization and, finally, we feel it is a negation of the responsibilities of the government. We cannot, therefore, possibly support this measure.

(Translation):

Mr. Maurice Allard (Sherbrooke): Mr. Speaker, I listened with great attention to the remarks of the learned opposition members on this matter, and I was more particularly amused by the lengthy tirades of the hon. member for Bonavista-Twillingate (Mr. Pickersgill).

It is always exhilarating to hear him discourse because I might say that not only in his speeches, but also in his general behaviour, he seems to have the lyrical, and even the romantic touch.

He mentioned, for instance, that he would very much like to eavesdrop at the door when the premier of Manitoba and the right hon. Prime Minister (Mr. Diefenbaker) met with regard to those problems. But what was he doing when he was an active member of the former Liberal government?

Now, did he eavesdrop on the recriminations which not only the Canadian taxpayers, but the spokesmen of all provinces came to voice here in Ottawa, or did he rather at that time—as he seems unaware of such complaints—enjoy walking the famous dog Pat in the enchanting lanes of Ottawa?

We recall that, since 1945, the unyielding and centralizing attitude of the former Liberal government gave rise to many protests throughout the country. For instance, you only have to look briefly through some statements of provincial premiers, of which, to my mind, the oddest is one made in 1956 by the premier of Newfoundland, Mr. Smallwood, who, himself a Liberal threatened, under Liberal rule, to dissociate himself from the Canadian federation if Ottawa persisted in denying him fair treatment.

In 1956, Mr. Frost also stated the following:

> That is the same government as the one which resorts to mean tactics in a field of taxation that belongs to Ontario as much as to Ottawa.
>
> Here, in Ontario, in order to make ends meet, we must subject our people to a form of double taxation. It is a shame that things should come to this, at the very time when Nova Scotia announces a deficit and when New Brunswick is faced with financial problems.

During the same period, Mr. Fines, the provincial treasurer of Saskatchewan, had this to say:

> The share of tax revenues allowed to the provinces by Ottawa, under the new agreements, is entirely inadequate to enable them to meet the costs of services of provincial and local governments.

Mr. Patterson, the treasurer of New Brunswick, concluded his budget speech by stating:

> The basis of provincial taxes is too narrow to meet the increasing demands made upon the province and its municipalities in peacetime.

Not only did the previous Liberal government thrust on the people of Canada and the provincial governments intransigent and centralizing points of view, but in the application of the tax and allowances sharing, it acted quite unjustly, as it distributed the money according to a principle that the hon. member for Bonavista-Twillingate still wants to uphold today.

We also remember what happened in 1956 when certain provinces that had received too much money from Ottawa were forced, after having started to spend their provincial budgets, to return certain amounts to the federal government. Those poorer provinces are Newfoundland, Prince Edward Island, New Brunswick, Manitoba and Saskatchewan. On the other hand, the richer provinces—of course, they had received less—received more afterwards, even during the administration of their budgets for that year. All this shows that the complicated system initiated by the Liberal government had caused glaring injustice to the provinces and created confusion in public administration. It is for that reason that the people of Canada, conscious of the turn of events, acted positively in 1957 by showing the government that had initiated those unacceptable measures that it was time to come back to confederation, the sound ideas of the Canadian constitution, the British North America Act of 1867.

The new formula is an effort towards decentralization. In fact, it is under a false principle that one government collects taxes that are spent by another government. These are not new statements, and I mean to stay above party politics. In fact, it was Sir Wilfrid Laurier who enunciated that principle in 1887 when he said that one government should not collect taxes to be spent by another government.

In 1930, the late Mr. Mackenzie King recalled the same principle. He then pointed out that it was a faulty principle which made it possible for one government to collect taxes and for another government, to spend the money through subsidies; however, this is what the previous Liberal government did progressively from 1945 to 1957. It seems that after 1945, the late Mr. Mackenzie King had forgotten the sincerity of his reference and had even opened the door for his successors to continue in this anticonstitutional direction.

The new scheme brought down by the present Progressive Conservative government is an effort towards decentralization. It seeks to let the federal government collect its own taxes and to let the provinces recover their fiscal freedom and receive their share of the taxes. It is therefore a return to the confederative deal, to our Canadian constitution, for the Canadian provinces have powers which are eloquently set out in the British North America Act, especially in clause 92 thereof.

In fact, what matters is not only to have the powers, but also the financial ways and means required to exercise them; that is why the terms of clause 92 of the British North America Act, besides allocating the powers to the provinces, provide the financial means required for their application.

This new scheme is a return to the spirit of the Canadian constitution. The provinces will thus progressively recover their fiscal freedom. In this regard, may I briefly quote from the views of Mr. Gerard Filion, editor of the newspaper *Le Devoir*, as set out in an editorial which was published on February 25, 1961. This is what he had to say:

> From a purely constitutional point of view, the Diefenbaker proposals are a definite improvement. The provinces, in any case those which value their freedom, should be satisfied.

A little farther, in the same editorial, Mr. Filion continues:

> If the provinces want to recover some ground, they must not be content with claiming more money from Ottawa, but rather offer to accept greater responsibilities.

That is precisely the nature, the substance and the purpose of this new formula, to give the provinces of Canada their fiscal freedom. Of course, it is not complete, it is not perfect,

but it is a step in the right direction. It is a lead, an open door away from centralization; it is a decentralizing action aimed at giving back to the provinces the fiscal freedom which they clamoured for, and, although some did not clamour for it, deep down they have always longed to be given back their responsibilities.

So what is the substance of that formula? After March 31, 1962, Ottawa will no longer pay any fiscal allowances to the provinces, but the provinces will be able to levy themselves, or through Ottawa, free of charge, their own share of the three fields of direct taxation.

Although the federal government agreed to reduce its share in the three fields of direct taxation on the basis of specific amounts each year during the next tax-sharing period, it volunteered to levy provincial taxes in those fields at any rate of taxation established by the provinces.

This means that the provinces will be able to decide on taxation rates superior or inferior to the federal withdrawal in those fields. The only reservation imposed by the federal government is that the provincial tax rate shall be determined according to the same definition of taxable revenue as under the federal Income Tax Act.

The federal government agreed to reduce its personal income tax rate by 16 per cent for the taxation year 1962, and by another 1 per cent each year until the federal withdrawal reaches 20 per cent. With regard to the corporation income tax, the federal government agreed to continue reducing its own corporation income tax by 9 per cent of the taxable corporation revenue. It is to be noted that the federal withdrawal in the corporation income tax field is not 9 per cent of the federal levies on corporation income, but 9 per cent of the taxable corporation income.

As the current federal corporation income tax currently levied—with the exception of the old age security tax—is 47 per cent for corporations with a taxable income over $35,000 and 18 per cent for corporations with a lesser income, the federal corporation income tax is about 41 per cent of the total taxable corporation income. If the federal withdrawal of 9 per cent is expressed as a percentage of the current federal income tax levy, rather than as a percentage of taxable revenue, the federal withdrawal will be approximately 22 per cent. In the first year of the new arrangements, the federal govvernment itself will levy 84 per cent, 78 per cent, and 50 per cent of its current revenue in those three fields and 80 per cent, 78 per cent and 50 percent in the last year of the new agreements.

[Mr. Allard.]

The federal government has also agreed to maintain the equalization principle, but on a wider basis in accordance with the national average. Instead of equalizing payments to the provinces until they reach the yield of those three direct taxation fields in the two provinces where that yield was highest per capita, the federal government now offers the provinces an equalization payment equal to the difference between the yield of those three taxation fields per capita in each province, and the national average of the per capita yield of those three taxes, as well as an amount equal to the per capita amount by which provincial per capita revenue from natural resources has fallen below national average yield of provincial revenue from natural resources. In order to determine the amount to be attributed to the equalization factor based on natural resources, provincial revenue from natural resources per capita was established by taking 50 per cent of a moving scale for three years of provincial revenues from that source.

It has been decided to equalize provincial revenues from natural resources at 50 per cent of a moving scale over three years, for several reasons. As the provincial tax rates on natural resources and revenues derived from them vary from one province to the other and from one resource to the other, it was thought proper to consider those differences by using in the equalization formula 50 per cent rather than 100 per cent of revenues from resources. The three year average was used to avoid the marked differences sometimes shown in that source of revenue due to natural disasters or to the sale of resources.

In addition to equalization based on the national average, all the provinces are assured that they will not get less under the new tax rates of 16-9-50, 17-9-50, 18-9-50, etc., above and over equalization payments based on the national average than they would have received with the normal tax rates of 13-9-50, with equalization based on the average of the two provinces where yield was the highest in the previous year or on the average for the last two years of the current agreements, whichever may be the highest. In addition, the provinces which are under the national average according to the new formula have a guarantee that they will never get less in normal tax yield and equalization based on the national average than they would have received in the same year through an extrapolation of the agreements now in force.

This is the substance of this formula now before the house and examined from several angles.

It is obvious that this formula must show its worth. We must let it be implemented for some time, but we can already rest assured that it represents a real effort of this Conservative administration to decentralize and to gradually restore to the provinces their tax fields and their fiscal responsibilities. For we still want to believe in the existence and actuality of the constitution of 1867, we still want to have faith in the benefits of Canadian federalism. It must be recognized that this Canadian federalism of ours is based on an association of autonomous governments which in their activities, as described in articles 91 and 92 of the constitution, have their own powers and also their own means of financing in order to exercise such powers. And Canadian federalism clearly establishes that the various governments shall not be subjected one to another, but so co-ordinated. Those various governments, due to that federalist character of our constitution, must co-operate in common schemes, as it is stipulated, for instance, in article 95, as regards agriculture and immigration.

The new formula seeks a reconciliation after so many years of separation, after so many years of dislocation, for if we look back over the years we find that an agreement between various governments, in terms of our current economy, presents to our governments problems that are different from those of 1867. Because of particular circumstances resulting from an economic depression, or a war, governments have made concessions to each other; but after having benefited by concessions, the Liberal government maintained its hold, continued war in the fiscal field up to 1957, instead of realizing that the fiscal and economic war was over since 1945. Some have taken advantage of the confusion that happened in fiscal relations between the governments to interfere in fiscal fields that they did not own. The federal government took possession of taxation fields like personal income tax and corporation income tax and succession duties. Of course, it was not directly and absolutely forbidden by the constitution to impose direct taxation, because those three taxes I just mentioned are direct taxes; but the constitution states quite clearly that the federal government cannot levy taxes in those fields when the taxes are to be used for provincial purposes. What was wrong in the Liberal government's approach, was to seek to follow a centralizing policy with paternalism by distributing to the provinces certain amounts of money that it collected in fields that belonged to the provinces.

There are also provinces which, during those years have entered indirect taxation fields, while those fields under section 91, paragraph 3, belonged to the federal government.

In this last instance, I mean indirect taxes on retail sales, taxes on security transfers, on meals, on theater tickets and on gasoline and oil. Those indirect taxes collected by the provinces, were called direct taxes by the privy council because they were collected directly from the final consumer without including them in the initial price.

It must be remembered that during all those constitutional years existed such chaos and difficulties, the strait-jacket mentioned tonight by the hon. member for Bonavista-Twillingate (Mr. Pickersgill). The result of those trends is that various governments intruded into taxation fields not clearly devolving upon them under the Canadian constitution. In addition the Liberal government was claiming unflinchingly for paternalistic reasons that it had to levy taxes, and through subsidies let provincial governments spend those amounts. That was meant to destroy the principle of responsible government which we have enjoyed for many years, because a responsible government, under the very spirit of our constitution, is the one which levies the taxes and spends them. It is accountable to the Canadian people for its tax collections and that responsibility does not devolve on any other government.

I welcome this new formula put forward by the Progressive Conservative government.

One might say, like the Conservative party of 1867 which was at the origin of the Canadian confederation, that it is the Conservative party of 1961 which, after so many difficulties, such confusion, and despite the acrobatics of the previous Liberal administration, makes serious, commendable and sincere efforts to return to the spirit of confederation.

Mr. Speaker, the legislation brought forward before the House of Commons as well as the topics discussed last year by the interested parties at the dominion-provincial conferences show that we are at a turning point of our constitutional venture, for we shall soon bring our constitution back home, and we shall then be able to amend it with the consent of the provinces. I take this opportunity to offer my warmest congratulations to the Minister of Justice (Mr. Fulton) for the efforts he has made, in conjunction

with all the provincial ministers to repatriate our Canadian constitution, so that we shall be able to say, not only in principle but also in fact, that we have at long last a sovereign constitution, that we are able to amend without having to refer to any other country. By amending our constitution, I do not mean that we shall upset it, but rather clarify it, define it in clearer terms, and correct the incongruities brought about through the years by governmental practices and interventions.

In this context, it can be said that the present Progressive Conservative government presides over this wonderful trend towards the very spirit of the confederation deal, for if the present central government needs resources and particular revenues to meet its ever-increasing commitments, it nevertheless remains deeply human, and understands that the autonomous and sovereign provinces must preserve their economic independence by maintaining the fields of taxation granted to them by the constitution. The passing of the legislation now before us is the only way to achieve this, and I shall be glad to vote for it because it opens the door to the confederation deal of 1867.

That is why the province of Quebec is in favour of it. She will not be content with aleatory and illusory powers; she wants financial powers so that the province can carry on its responsibilities.

In practice when the representatives of the provinces and of the dominion government meet together to amend the constitution, adjustments will be brought about. But there is a field where Quebec will allow no change whatsoever, that is, the field of higher education, whose importance is clearly set out in clause 93 of our constitution, which grants to the provinces exclusive jurisdiction over this matter.

Without any reflection on the approach of other provinces—we, French Canadians from the province of Quebec, respect the views of the other provinces, and that is probably part of our worth, for we love our country and have great respect for the views of our fellow citizens—we keep a jealous watch over our own prerogatives. That is why the province of Quebec remains steadfast in its attitude, no matter which party is in power. Whether it be at the time of the Hon. Messrs. Taschereau, Duplessis, Sauve or Barrette—and even under Mr. Jean Lesage—the premiers of Quebec unfailingly voice the intent and desire of a whole people living in this corner of our Canadian land, to retain absolute control in the field of education, for, while we respect and admire other cultures, we are proud of our own, we want to remain masters of that culture, and direct it in our own way.

In order to do that, we need financial means; that explains the stand taken by the province of Quebec. Regardless of political parties, nothing is bad or evil and it is in that spirit that everything is done.

We respect the views of the other provinces, of our fellow citizens, but we demand that others understand us so that with the assistance of the present government, we may recover progressively the prerogatives which are dear to us in that field.

Last year, the present government reached an agreement with the late Hon. Mr. Sauve on a formula with respect to university grants. That was a step in the right direction and it enabled the province to collect the money which had accumulated.

We must always keep in mind that when the federal government takes a step, it must not favour only one province, but must introduce legislation which is suitable for all the provinces of Canada. It was understood that under that formula, the corporation income tax was to be raised by 1 per cent and that in return the corporations would benefit from an equal rebate with respect to the federal corporation income tax. Recently, I read in the newspapers—I did not have the chance to read the official correspondence—that the premier of the province of Quebec has refused to accept that formula on the grounds that he would accept the formula if it did not require the provinces to waive a certain surplus.

I would not say that the present premier of the province of Quebec is entirely wrong, but what I hold against him is that the formula in question, even though it was not perfect, was a step in the right direction since it was most advantageous to the universities of the province, while the latter were still getting direct assistance from the provincial government.

Hon. Mr. Lesage is now closing the door, probably for mere political considerations. I would not want to impute any motives to him, but I find his attitude most amazing. The autonomy he advocates is a negative one. He has not suggested any other formula, he has just closed the door and complicated matters. I wish he would follow the example of his predecessor, the Hon. Paul Sauve, and come up with an adequate formula of his choice.

I am sure that the present federal government will give close consideration to that formula. I hope the premier will act immediately so that the province may not suffer from any delay.

As for myself, I should like to make four suggestions to the Minister of Finance (Mr. Fleming) in this field of education. I suggest:

1. That this government publicly state its intention of considering as coming exclusively within the provincial jurisdiction all representations to increase the payments now made by the government of Canada, either to provincial governments or to teaching institutions, by way of grants or assistance of any kind to education at all levels;

2. That the government recognize the principle that, in due time, the control and distribution of the various kinds of assistance to education at present provided by the federal government should be returned to the provinces;

3. That the solution to the problem be sought by possible inclusion of the federal educational grants in the equalization payments provided the provinces under the present tax arrangements, and that both these payments be amalgamated and considered together when the renewal of tax-sharing arrangements is discussed;

4. That the foregoing be immediately implemented as far as university grants are concerned with the understanding, if need be, that the federal government shall be prepared—unless otherwise decided by the fiscal conference—to increase each year the equalization payments by the sum by which the university grants were to be increased, that is $1.50 per capita according to the increase in population.

Mr. J. P. Deschatelets (Maisonneuve-Rosemont): Mr. Speaker, this bill raises the question of federal-provincial tax relations. It is a complicated problem and I shall try to deal with it in the most objective way possible.

A moment ago, I listened with great interest to the hon. member for Bonavista-Twillingate (Mr. Pickersgill) who indicated that the new formula which forms the basis of this bill infringes the principle of the legislation introduced by the Right Hon. Mr. St. Laurent's administration and that the application of that formula will be detrimental to the great majority of the provinces.

The first point I wish to make is that, by introducing this bill, the Conservative government admits its inability to find a basis of agreement which would be more beneficial to the provinces than the previous one. The government must be blamed, not only for the failure of the last federal-provincial conference, but especially for having held out, even before the conference even took place, promises which they knew or should have known they could not keep.

Speaking of promises, they were of two kinds. As a matter of fact, in the province of Quebec, our Conservative friends had come out against the equalization system as being contrary to the B.N.A. Act while, in the nine other provinces, the Prime Minister pledged to preserve it intact, as witness these lines from the Saskatoon *Star-Phoenix* for February 14, 1958, where in the Prime Minister is reported as stating:

(Text):

I stated that the equalization principle would be preserved. I say it again, and I repeat it now. The principle will be put into effect.

(Translation):

That is not what our friends, the Conservatives, were saying in the province of Quebec. At any rate, in both cases, this bill proves that the promises made in 1958 have been repudiated. The taxation fields have not been abandoned as the Quebec Conservatives promised it and the equalization formula has not been left unchanged as the Prime Minister had guaranteed.

Speaking of equalization, I feel it would be a good thing at this point to quote once more what Right Hon. Louis St. Laurent said, as reported in *Hansard* for January 12, 1956:

After examining many possible plans, we came to the conclusion that the most generally acceptable means of bridging this gap in Canada between the costs of essential provincial services and the wide variations in the tax potentials available to the provincial governments, would be to develop a pattern of tax equalization payments from the federal to the provincial governments.

With his customary modesty, Mr. St. Laurent went on:

We have never contended that these agreements were a perfect answer to the problems in our fiscal relationships but that is the best formula that has been devised yet—and the steps we are taking—will be conducive to the growth and development of all the provinces and of that spirit of solidarity from one ocean to the other.

The aim pursued by Mr. St. Laurent and his government was therefore to reduce the gap between the incomes which the various provinces derived from taxes so that all provinces and all taxpayers would become equal partners in the confederation.

It must be recognized, I think, that this formula has stood the test of time. In the critical post-war years, it enabled the provinces, which were faced with expansion prob-

lems, to develop more harmoniously and it reduced considerably the gap between the provinces' income.

Thanks to that formula, citizens of all provinces enjoyed the benefits of comparable services.

There is another advantage which is far from being the least. By removing the inequalities which were prejudicial to the poorer provinces, the St. Laurent formula largely contributed to a better understanding of national unity.

It will be recalled that the equalization principle was denounced as being contrary to the spirit and letter of confederation.

I should like to deal immediately with a misrepresentation which was repeated tonight by the hon. member for Sherbrooke (Mr. Allard), a myth which our Conservative friends have kept alive in the province of Quebec and which has no foundation either in law or in history. It was said repeatedly that the equalization formula was the result of a centralization which was contrary to the spirit and letter of the constitution. Consequently, it will be necessary for me, I think, to go back briefly to the sources. With the help of historical data, I will prove that not only were subsidies an integral part of the pact of 1867 and—I do mean an integral part of the 1867 pact, but that the payment of those subsidies was a paramount condition to the entry into confederation of lower Canada and the maritimes.

On page 5290 of volume 3 of *Hansard* of 1906, we can read section 64 of the Quebec resolutions, outlining the following proposal. I quote:

> In consideration of the transfer to the general parliament of the powers of taxation, an annual grant in aid of each province shall be made, equal to 80 cents per head of the population—

And, as recorded on page 5291 of *Hansard* of March 25, 1907, the then prime minister, the Right Hon. Sir Wilfrid Laurier, stated:

> But it is also a matter of history that if the resolutions were passed in a certain form, if the allowance to the provinces were arranged in a certain way, the reason, the paramount reason, was that without such an enactment and such an allowance the provinces would not have consented to enter confederation.

Now, here is a statement of policy, made in 1865, by Mr. Brown, one of the fathers of confederation:

> I do not think I am being indiscreet in saying that, at the conference, I was most vocal in asking that all local expenses be paid by local governments through direct taxation; and that there were liberal-minded men, coming from all parts of the provinces, who would have liked nothing better than to see such a proposal accepted. But, Mr. Speaker, there was an obstacle, an obstacle we often meet in this world, and that obstacle amounted to this: the impossibility in which we were to have the idea accepted. We would not have been able to rally the members of the conference, neither those of the existing provincial legislatures.
>
> I am afraid, our friends in Lower Canada constitutionally object to direct taxation.

And, as can be seen on the same page, Sir Wilfrid Laurier added the following statement:

> This is conclusive evidence. Lower Canada would never have entered confederation, if, by that very fact, it had been forced to resort to direct taxation to levy the required sums for the management of its local business. The same state of mind prevailed in the Maritime provinces. Nova Scotia, New Brunswick and Prince Edward Island would never have agreed to the federal pact if they had to resort to direct taxation as a consequence.

Well, Mr. Speaker, those are statements that need no comment. And I want to support those statements by quoting indisputable figures. For the fiscal year 1867-1868, 54 per cent of the total provincial revenue was derived from subsidies by the Canadian government. From 1868 to 1888, that percentage varied from year to year between 42 and 57 per cent. In the period from 1888 to 1909, the percentage of subsidies paid to the provinces by the federal government varied between 29 and 37 per cent, after which they gradually decreased down to the depression years, from 1930 to 1935, whereas in 1955, that percentage reached 46 per cent, and subsequently decreased.

Now, in the case of Quebec, we find that, for the fiscal year 1867-1868, 59.67 per cent of the total revenue of that province was derived from federal subsidies. During the first ten years of confederation, that percentage reached an average of 46 per cent. In the first 25 years after confederation, the percentage for Quebec was 37.5 per cent.

Well, Mr. Speaker, those figures are part of this country's history. I trust they will be read again and considered by our Conservative friends in Quebec who will then be able to revise some of the conclusions reached in their speeches with regard to federal-provincial fiscal matters. It is therefore a well established fact that, during the lifetime of the fathers of confederation, the provinces lived for the greater part on federal subsidies and that, moreover, neither Quebec nor the maritime provinces would have entered confederation without a guarantee that those subsidies would be paid by the federal government.

Mr. Ricard: Mr. Speaker, would the hon. member permit—

Mr. Deschatelets: If my hon. friend would let me continue—

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

Mr. Deschatelets: I shall answer your questions when I have finished my remarks. Did you rise on a point of order?

Mr. Ricard: I am asking whether you will permit a question?

Mr. Deschatelets: Mr. Speaker, when I have finished my remarks—

Mr. Ricard: That's it. It would be too difficult for you to answer.

(Text):

The Acting Speaker (Mr. Chown): Order. The hon. member for Maisonneuve-Rosemont has the floor and did not yield it in order to permit a question. This is his right and privilege.

Mr. Ricard: Because he is afraid.

The Acting Speaker (Mr. Chown): Order. I do not think there should be reflections on what may be the motives for not accepting a question. There will be an opportunity at the end of his remarks, and he can accept or reject a question at that time if he pleases.

Mr. Ricard: We are used to his running away.

(Translation):

Mr. Deschatelets: May I remind my hon. friend for St. Hyacinthe-Bagot that the Union Nationale convention in Quebec city is over and that this is Ottawa.

Mr. Ricard: Mr. Speaker, if we are to refer to the Union Nationale convention—

The Acting Speaker (Mr. Chown): Order.

Mr. Deschatelets: The purpose of this reference to history is not to take up the defence—

Mr. Ricard: You are running away; you are afraid.

Mr. Deschatelets:—of the system of grants to the provinces; quite the contrary, it is indeed to reply to several fallacious and erroneous arguments that are used too often to serve certain purposes.

One thing is sure though, it is that the fathers of confederation have accepted and the provinces have demanded in order to join the confederation, an equitable system of revenues, apart from direct taxation, to be able to efficiently fulfil their constitutional obligations.

In the light of what I have just said, it is quite obvious that the equalization formula of the St. Laurent government was not contrary to the confederation, but more than this government's formula it encouraged solidarity between the provinces, solidarity that is vital to this great federal family.

Mr. Speaker, the new formula, which is the basis of this bill, is inferior to the former one and destroys the principle of revenue equalization because it does not seek to treat all provinces on an equal basis.

At the resolution stage, on July 11 last, we wondered on what basis the Minister of Finance made the following statement. I quote from page 7910 of *Hansard*:

> The government has materially increased the return to the provinces from the existing tax sharing arrangements.

And we recall the lack of enthusiasm of the premiers of the various provinces and their expressed dissatisfaction. In fact, in February, the premier of British Columbia said:

> I am disappointed that my province will not receive equalization payments.

On February 27, the premier of Alberta said that he was disappointed by this new arrangement.

The treasurer of Saskatchewan said that his province would not receive the amounts that it would have under the existing agreements.

> The premier of Alberta said on April 8 that the new agreement presented certain features that he approved, but he added nevertheless that it was disappointing to see that his province would not receive any immediate increase.

The premier of Ontario said that this formula did not provide for his province anything like the $150 million additional yearly revenues he sought to obtain during the two day conference. And he added that his last resort was to levy new taxes.

We recall these words of the premier of Quebec:

> Equalization has just been killed.

The New Brunswick premier said that the new fiscal proposals "would cause enduring harm". The premiers of Nova Scotia, Prince Edward Island and Newfoundland said they were satisfied and they accepted the formula but with some reservations.

That is how the new formula based on the average national revenues, on equalization, not from the top but from the middle, was received by the provinces.

After four years of conferences and negotiations, this cannot be called a great

success. In fact, it is a resounding failure if we look at the promises that were made. However, we have cause for comfort because the Conservative government has invited the provinces to levy additional revenues themselves by collecting their own taxes. As if that right had not always existed. That is what the province of Ontario has already done, because the provincial tax which became effective on September 1 is the first tangible result of the fiscal federal-provincial failure. And it is after the provinces had been invited to resort to taxes that the Secretary of State (Mr. Dorion) stated recently in a flight of oratory: "This is the end of limitations; it is a reversion to the spirit and the letter of the constitution".

I showed a moment ago that this assertion is historically and legally erroneous and unfounded.

When one thinks that the Canadian taxpayer is already overtaxed, this is an invitation which does not constitute a very glittering policy for a government on the eve of an election.

If the government had been consistent or had fulfilled the promises made in Quebec by its candidates, it would have given the various fields of taxation back to the provinces. On the contrary, since 1958, it has clung to them more than any other previous government. This government has piled up deficits, expenditures, loans and high interests.

It must be remembered that in 1958 we had a $38.5 million deficit, $609,500,000 in 1959, $413 million in 1960, $300 million in 1961 and in 1962, according to the Canadian tax foundation estimate, Canada will incur a deficit of approximately $700 million.

From 1957 to 1961, the unemployment insurance fund was drained of approximately $900 million.

During the same period, $165 million were used out of the national defence special fund.

Those amounts total $3,126 million, or an additional debt of $750 for each Canadian family and it is in that financially stifling atmosphere that this government urges the provinces to accept its invitation to levy additional taxes in their own jurisdiction.

With all these facts, I feel that this Conservative government now levies within the provinces a higher ratio of taxes than any previous government and I am tempted to ask myself: If this is centralization, where are the centralizers, if they are not sitting to your right, Mr. Speaker?

I stated that those fiscal proposals were made by this government to the provinces which asked for a revision and a reconsideration thereof, but all the attempts to renew discussions were coolly turned down.

Let us admit that today we are voting for a five year failure. The dies are cast.

Mr. Speaker, I do not wish, in the course of my remarks, to limit myself to criticism of the government. I should now like to consider the problem in order to facilitate its solution. I sincerely believe that the tax collection agreements with the provincial governments are complex because we have there a problem which cannot be dealt with satisfactorily before the major problem is solved; and the major problem is the redistribution of taxation powers and the respective responsibilities of the federal and the provincial governments.

Thus, it seems that the time has come to reconsider the Canadian constitution in the light of its 94 years of existence, and that the problems which arise here, in Canada, in 1961 will have to be reconsidered.

To that purpose, we must first reach an agreement with the provinces about a method of amending our constitution. That is the first step to take. Then, the government and the provinces, around a conference table, will have to determine a redistribution, as accurate and flexible as possible, of the powers of taxation and the respective administrative responsibilities. Surely, this will be delicate and difficult work. It will be a matter of putting back the rights and privileges of 1867 in a more up-to-date framework, yet preserving and strengthening if possible all the clauses and powers pertaining to the rights, privileges and autonomy of the provinces.

That is, I think, the main problem that arises in Canada today. It will have to be solved without delay so that the development and economic and industrial growth of the provinces will not be hindered.

To deal with this important problem, it has become necessary for the government to establish a department of federal-provincial affairs. I believe each province should set up such a department. Quebec already has shown the way in this connection. It would then be the responsibility of these ministers, through continuous contacts and consideration of problems we have in common with the provinces, to prepare and submit a report which, in a year or two, could become the second constitutional charter of Canada.

If such a work were undertaken now, there would be no reason for not finding a solution within the next two or three years. By adopting such a method, the arrangement contained in the bill before the house could easily be limited to two or three years instead of extending to five.

For it is my feeling that, within a year or two, we will have an election and it is a distinct possibility that those who are now at the left of the Speaker will be the ones called upon to decide, within two years, on the constitution to be given this country.

Mr. Speaker, when I said a moment ago that the time had come to take a second look at taxation powers, I had in mind the attitude of the government of the province of Quebec on joint plans, which are closely related to taxation powers.

It will be remembered that in *La Reforme* of June 24, 1961, Mr. Lesage had this to say:

> The sooner we can substitute to the joint plans our own plans based on revenue back from Ottawa, the better it will be for us.

Le Devoir, on Tuesday, September 26, 1961, quoted the Quebec minister of natural resources, Mr. Rene Levesque, as saying:

> It would be better if joint programs disappeared gradually.

I should like, Mr. Speaker, to comment on those two statements. I wish to make it clear at the outset that there is no contradiction between the stand taken by the Quebec government and that of the St. Laurent government which introduced the joint programs which were so beneficial to all Canadians, whether it be hospital insurance, the trans-Canada highway, or the roads to resources program. In my opinion, the attitude taken by the Quebec provincial government is what we have always considered as positive autonomy, because even though Quebec expresses that wish, nevertheless, until the powers are redistributed, it accepts all the money which is spent under those joint programs, for the simple reason that that money belongs partly to the taxpayers of all the provinces—Quebec taxpayers like all the others—who are entitled to benefit from all possible services. Those services they are paying for through their taxes, whether it be to the federal or to the provincial government.

There is no point in comparing that attitude to that of Mr. Duplessis of whom it was said that he was practising a negative autonomy. And now that the Duplessis regime is a thing of the past, and that we now have a Liberal government in Quebec, we can, by simply comparing, determine the advantages of a positive autonomy policy over a negative policy. Mr. Duplessis stood for the return of taxation rights but because of his failure to take any initiative, by systematically turning down—

Mr. Ricard: He is even greater in his grave than you are, alive and breathing.

Mr. Deschatelets: —hundreds of millions of dollars of which the people of Quebec have unfairly been deprived.

Hon. members will remember that at the last federal-provincial conference he attended he stated: "It is cash we want".

Mr. Speaker, hon. members will remember that in the strictly federal field, Mr. St. Laurent's administration obtained the power to amend our constitution in this country in 1950. For the reasons we know, it was impossible to proceed with the provinces and amend our constitution here in Canada as far as provincial and joint matters are concerned. Mr. St. Laurent was never given the opportunity to pursue his expressed aim, but I am happy to notice that the repatriation of our constitution has now been made possible as far a provincial and joint matters are concerned.

I wish to emphasize—the Minister of Justice (Mr. Fulton) has already done so—the remarkable work of the provincial minister of youth, Mr. Gerin-Lajoie, whose work, initiative and knowledge of constitutional matters enabled us to expect a solution in the near future.

Mr. Speaker, to sum up I would suggest this to the government first of all, the immediate creation of a department of federal-provincial affairs; second, obtaining the power to amend the constitution in this country in joint and provincial matters at the earliest opportunity; third, immediate consideration of taxation powers and mutual responsibility between the central government and the provinces, in order to bring the constitution up to date for solving the problems arising in Canada today. But, until those measures are taken, I subscribe to the remarks of the hon. member for Bonavista-Twillingate (Mr. Pickersgill), and I ask this government to come back to the formula of the St. Laurent government with regard to equalization payments, because if the bill remains in its present form, I shall have to vote against it.

(Text):

Mr. W. L. M. Creaghan (Westmorland): Mr. Speaker, we have had a very interesting debate on the subject matter of Bill No. C-122. As hon. members know, this bill was introduced by the Minister of Finance (Mr. Fleming) in this house on July 12, just prior to the summer recess. In the ensuing weeks most of us have had an opportunity of studying the bill, reading the speeches of the various premiers during the series of conferences and trying to familiarize ourselves with the details of this involved piece of legislation.

It is common knowledge that since confederation federal governments have always been obliged to lend financial aid and assistance to the provinces of Canada. This aid invariably took the form of special or conditional grants. In fact, prior to 1942 we had no evidence at all of unconditional grants. In 1941 Mr. Ilsley, the then minister of finance in his budget speech indicated that, whether or not there was an agreement, the provinces would have to vacate the personal and corporate fields of taxation for the duration of the war and one year thereafter. Consequently, in 1942 this House of Commons passed for the first time a bill authorizing unconditional grants and entitled the Dominion-Provincial Taxation Agreement Act. In 1947 a new bill was introduced and passed known as the Dominion-Provincial Tax Rental Agreements Act. It remained in effect for a period of five years and was replaced in 1952 by the second tax rental agreement act, namely the Tax Rental Agreements Act, 1952.

In 1942 the province of New Brunswick received the sum of $4.2 million. In 1947, under the first tax rental agreements act, the province of New Brunswick received a total of $13.3 million, $8 million from tax rental and approximately $5 million from equalization payments. During the 1952 to 1957 agreements New Brunswick's share increased from $13 million to $18.5 million.

Briefly speaking that is a summary of what New Brunswick received during the first three agreements. During the period of 1956 there was a series of conferences following which, for the first time, legislation was introduced entitled the tax sharing arrangements act instead of the tax rental agreements act. We all know the formula. It was 10-9-50 and New Brunswick's share averaged approximately $23.5 million. Very soon after the agreement came into effect a change of government took place in Canada and a dominion-provincial conference was held at Ottawa. I believe it was during the month of November, 1957. That conference was brought about as a result of strong criticism coming from the maritime provinces and Ontario with regard to the tax sharing arrangements act of 1957. As a result, the formula was increased from 10-9-50 to a more generous level of 13-9-50. At that time agreement was also reached in principle on a special grant to the Atlantic provinces. As a result the tax sharing arrangements act was amended in 1958 in order to provide for an additional sum in round figures, of $100 million over a four year period to the four provinces in eastern Canada. As a result of the amendments in 1958, New Brunswick's share—and I may say

I have been using New Brunswick figures throughout—increased from the questionably generous offer of the previous administration of $22.5 million to a figure in 1958 of $31.6 million or an increase of nearly $10 million which figure has continually increased during the years 1959 and 1960. Consequently I think it is very difficult, and indeed impossible, for Liberal speakers to try to convince anybody living in the Atlantic provinces that the formula and equalization basis introduced by the former St. Laurent administration was in any way at all fair or acceptable to the poorer provinces.

In fact, if one looks at the tables introduced by the Minister of Finance on July 11 one notices—dealing again only with New Brunswick—that in 1956-57 under unconditional grants that province received approximately $19 million and an additional $8.7 million under conditional grants, or a total payment in the year 1956-57 of less than $30 million. In the current year, instead of receiving less than $30 million the province of New Brunswick is receiving in excess of $60 million. This small province increased its source of revenue as a result of the change of administration to the extent of 100 per cent or, in round figures, from $30 million to $60 million annually.

Mr. Pickersgill: Mr. Speaker, would the hon. gentleman permit me to ask him a factual question?

Mr. Creaghan: Certainly.

Mr. Pickersgill: Would the hon. gentleman say why he used the year 1956-57, which was under the old tax rental agreements, instead of 1957-58, which was the first year of the tax-sharing arrangements and which would show a very different picture?

Mr. Creaghan: Yes, Mr. Chairman. I think that is a fair question, bearing in mind that the hon. member who has asked it is some sort of an expert on this subject. I used the figures of the year 1956-57 because they are official figures and appear in *Hansard* of July 11 at page 7919. If I had used the figures of 1957-58, or the first year of the generous tax-sharing arrangements, the figures for New Brunswick would have amounted to a total of $34 million instead of $29 million.

Mr. Pickersgill: A pretty substantial increase.

Mr. Creaghan: That is an increase of $5 million, as opposed to an increase of $30 million.

Most of the criticism from the Atlantic provinces comes from one source, the premier of New Brunswick. He has raised public objection to this new scheme. He calls it discriminatory, suggesting that it is against the interests of the poorer provinces. In order to strengthen Premier Robichaud's argument he complains about the large sums going to be paid to the provinces of Nova Scotia, Prince Edward Island and Newfoundland. In other words, he is suggesting that these three other provinces in eastern Canada are not poor provinces; that New Brunswick is the only poor province in eastern Canada.

To strengthen his argument further he has recently endorsed the former policy of the Progressive Conservative government of New Brunswick in reference to the division of the Atlantic provinces adjustment grants. In *Hansard* last week a telegram was tabled from the premier of New Brunswick addressed to the Prime Minister (Mr. Diefenbaker). That telegram appears at page 8769 of *Hansard* of September 22 and reads as follows:

> New Brunswick favours thirty-thirty-thirty-ten distribution of Atlantic provinces grant.

In other words, in one moment he criticizes part of the formula and the next moment completely endorses the distribution agreed to by the premiers of the four provinces in the year 1958. The main objection from New Brunswick seems to be that the new formula includes 50 per cent of provincial revenue from natural resources in the equalization formula. Yet it is a known fact that revenue from this source in the case of New Brunswick is substantially well below the national average. Therefore New Brunswick's share will be a larger percentage under the new equalization formula than if this provincial revenue were excluded from the formula. It is included to make certain that more fiscal aid will be given to the less prosperous provinces rather than the reverse under the formula introduced by the Liberal administration.

The province of New Brunswick has also complained, alleging that it objects to the inclusion of the Atlantic provinces adjustment grants in the equalization formula. These grants are not included and are separate and distinct according to the bill. In fact the Prime Minister assured Premier Robichaud of that policy in recent correspondence, particularly in a letter dated August 30 which was tabled in the house. The Prime Minister was dealing with the subject of the Atlantic provinces adjustment grants and the alleged inclusion of these grants in the equalization formula. I should like to quote one short paragraph from this recent letter:

> You refer at a number of points in your letter to the Atlantic provinces adjustment grants and contend that these grants should be kept separate from the other fiscal arrangements. In fact, the Atlantic provinces adjustment grants will continue to be a separate grant and the increase of $10 million in the total amount will benefit your province to the extent of $3 million per annum, which is the 30 per cent share of the additional grant of $10 million. This grant will be paid separately and is in no way connected with the basic equalization formula which ensures that New Brunswick will receive an equalization payment sufficient to raise revenues from the standard taxes and 50 per cent of the natural resource revenues to the per capita national average yield.

These grants are not a part of the equalization formula in any way, shape or form. Admittedly they are part of the guarantee formula. However, if one searches the records he will find that in the past under former agreements New Brunswick did not qualify or receive any benefit under the stabilization principle. It is my hope and the hope I believe of most people in New Brunswick who have an interest in its welfare, that at no time in the future will this province or any other province in Canada have to rely on the guarantee provisions. In fact, it is the hope of all concerned, premiers, politicians and interested citizens that none of the provinces in Canada will have to rely on the guarantee provisions.

In any case, the guarantee principle in no way hurts New Brunswick and the equalization formula contemplated in this bill is, if anything, in favour of all provinces which are in a less fortunate financial situation. In my opinion the objections raised by the premier of New Brunswick are hardly warranted. When the formula under the new bill is increased to the level of 20-9-50, which it will reach in the last year of the five-year agreement, New Brunswick stands to gain an additional $3 million approximately. This means that each and every year between 1962 and 1966 as the formula goes from 16 to 20 per cent in reference to personal income tax collections, this province, and every province in Canada, can expect its income to increase. It appears to me as though the province of New Brunswick, in a desperate move, is criticizing this bill in order that it may blame someone else for its own faulty administration. Perhaps it is trying to get sufficient additional money from Ottawa to carry out in full its election promises of 1960.

An hon. Member: Liberal.

Mr. Creaghan: Someone says "Liberal". I am speaking of a Liberal administration which was elected in June, 1960. Some of the members who have taken part in this

debate have suggested that there were not sufficient meetings, supporting some of the demands that the conference be reopened. It is common knowledge that there have been held in Ottawa three conferences at the premiers' level—in July, 1960, in October, 1960, and in February, 1961. In addition, there have been continuous meetings of the heads of departments of the provincial and federal governments. Nothing could be accomplished by a further conference.

The bill introduced is most generous. It is non-discriminatory in so far as the eastern provinces are concerned and I intend to do all I can to speak in its favour and to support it in principle at every opportunity.

Mr. John R. Matheson (Leeds): The hon. member for Westmorland (Mr. Creaghan) has given this house his version of the reaction of the maritimes toward this bill. Perhaps it would be possible for me briefly to speak with respect to the reactions in the province of Ontario to Bill No. C-122. May I give some of the history as we see it here in Ontario?

On March 27, 1957, the present Minister of Finance (Mr. Fleming) was the guest of honour at Athens at the most important political meeting which was ever held in that village in Leeds county. The meeting place was filled to capacity and the hon. gentleman made a profound impression on the people who listened to the address, indeed some listened from outside the hall. There were two points which the hon. member for Eglinton pressed on the citizenry of that community. The first was that it was inconceivable that a government with a half billion dollar surplus should continue in this fashion and make so few tax cuts. The other point was that the provinces and in particular the municipalities in Ontario were in a critical position financially and that their situation had to be drastically remedied. This, he said, would come about if the people placed their confidence in a Conservative administration.

A few days after this there was a meeting on May 3, 1957 when the Prime Minister (Mr. Diefenbaker) said the municipalities were being pauperised while the federal government wallowed in surpluses the like of which have not been seen in Canadian history.

Mr. Pickersgill: They certainly have not been seen since.

Mr. Matheson: Well, that was the end of Canada's surpluses. The situation with respect to our provinces and municipalities has not been improved. At least, the situation in Ontario has certainly not been better.

[Mr. Creaghan.]

When the minister was in Athens the situation with respect to our municipalities in Leeds county was critical. I say earnestly that the situation now is much more critical. May I give the comparative figures, the mill rates for three typical towns or villages in the area—Brockville, Gananoque and Smiths Falls. At the time the minister was speaking the mill rate for residents in Brockville was 63.5; today, it is 76. The industrial rate then was 69.5; it is now 81. In the prosperous little town of Gananoque in 1957 the residential mill rate was 50.4 whereas today it is 64.5. The industrial rate was 54.8, and today it is 69.8. In Smiths Falls in 1957 there was a common mill rate of 61 which has now been increased for residents to 66 and for industry to 70.5.

I read to the committee of this house last night a headline indicating that the municipality of Brockville was gravely concerned as to how it was going to meet its record relief payments. I pointed out that the situation was critical and I asked the committee to remember some of the undertakings to Ontario, which appears from everything we have heard to be one of the privileged parts of Canada. At a political meeting in Toronto on the evening of March 19, 1958, Premier Frost, introducing the present Prime Minister, said:

> I have talked of $100 million. I am convinced as I never was before that we are going to produce a new deal.

The right hon. gentleman, for his part, said he was sure Mr. Frost would ask nothing more than fairness and justice. All those who have written on this subject to explain the reasons why Ontario supported this administration in the forceful way it did under the leadership of Mr. Frost say this support was one of the principal reasons why this administration enjoys the position it does on the treasury benches today. I say, as a representative of Leeds, that we have been let down, because the fact is that our provincial and municipal obligations are substantially more serious today in 1961 than they were in 1957.

May I read to the house the concluding sentence of an editorial which appeared in the Toronto *Globe and Mail* on June 5. It is called "The Crumbs from the Table", and reads:

> The ordinary people of Canada in their communities across the country have reached a point where they cannot afford the present maldistribution of public revenues.

I know it is unfair to consider a bill such as this from a provincial or parochial standpoint and I do not intend to continue to do

so, but I think it is only reasonable that when we look at the results of this new tax-sharing plan we should consider the overall picture. I find we have four provinces rejoicing in Conservative administrations and those four provinces have benefited by $22,223,000 as compared with last year. I find that the non-Conservative provinces are six in number and the net result to them is a loss of $4,306,000. I ask seriously whether or not there is any principle in this bill before us other than political expediency.

(Translation):

Mr. Speaker, I have listened carefully to the speech of the hon. member for Sherbrooke (Mr. Allard) who tried, in his remarks, to justify this new fiscal formula. After hearing him, I must come to the conclusion that the present arrangement is nothing but another mathematical confusion without any foundation and, also, that it is nothing else but a new measure to obtain a political advantage.

(Text):

Mr. Speaker, it is known that—

(Translation):

Mr. Ricard: Would the hon. member allow me a question?

Mr. Matheson: When I have concluded my remarks.

Mr. Ricard: It would be too tiresome to answer now.

Mr. Loiselle: You are too ignorant.

Mr. Robichaud: Why don't you go back to Quebec for your convention?

Mr. Caron: The Quebec convention is over.

(Text):

Mr. Matheson: Mr. Speaker, there has been some reference—

Mr. Ricard: It is too tiresome now for the hon. member to answer my question. The hon. member cannot answer me, is that it?

Mr. Matheson: Mr. Speaker, reference has been made—

Mr. Ricard: I am speaking to the hon. gentleman who has the floor, not to the hon. members who interject. It is easy to attack a man who is not here.

Mr. Matheson: The hon. member for Westmorland, Mr. Speaker, referred to some of the material contained in the report of the proceedings of the dominion-provincial conference, 1960. I wish to refer the house to three points that were made at that conference by Mr. Frost, the premier of Ontario, who has been concerned about the problem since 1957. On July 25, 1960 as reported at page 18 of the report of proceedings to which I referred, Mr. Frost said:

> The crux of the problem is this: the provinces and the municipalities must have additional revenues.

He went on to say:

> I submit, in the light of the expansion occurring in Ontario, and indeed elsewhere, that the present division of these taxes is unrealistic.

He also said:

> It is entirely unfair that the provinces and their municipalities should be faced with the incidence of growth to which I have referred—

We know the extent of Mr. Frost's disappointment and we know the circumstances of his departure from public life. I point out that the needs of the next five years will be greater than and different from what we have witnessed to date. The offer presented by the Minister of Finance, who just a few years ago was talking about abundant surpluses and a new distribution of revenue, simply cannot meet these altered conditions.

An article by Mr. Charles King which appeared in the Ottawa *Citizen* on February 24, 1961 quoted Mr. Frost as having stated:

> —by 1966 we will still not have reached the minimum requirement of 1956.

I believe that all hon. members are concerned about this problem. The fact is that Canada has become an extremely highly taxed country. It is obvious that if taxes go to one source they cannot go to other sources. I cannot determine what proportion of our dollar is represented by taxation divided among the federal government, the provinces and the municipalities but I read that something over 40 cents on each dollar is represented by taxes both direct and indirect. In our municipalities in Ontario we are worried over the fact that mill rates increase year by year, in some instances accompanied by decreasing services. Surely the only basis on which this unfortunate situation can be rectified is on a basis of having the financial affairs of the country conducted in a manner that has due regard to the development and prosperity of the country and one that avoids deficits year after year replacing them with surpluses from which we can do the things we require to do to ensure that our citizens live properly and well enjoying a high degree of prosperity.

It is not enough for hon. members of the opposition to rise and protest that what is being done by the present administration is inadequate and politically expedient. It is not enough for us simply to say that this

administration has failed to fulfil its glowing election promises. We have to demonstrate and affirm that we would do things better and according to some principle.

The hon. member for Bonavista-Twillingate speaking on behalf of this party outlined the historical background of the principles of equalization and stabilization. He demonstrated that there was a sound principle at the root of the system introduced by the former administration.

The words I wish to place on *Hansard* in summarizing our position and in concluding these remarks are those adopted at the Liberal rally held in Ottawa last January. I can attest that much research, study and thought attended the deliberations held at that rally.

Mr. Ricard: You can say that again.

Mr. Matheson: I conclude with these words:

—the Canadian constitution was fashioned to provide a balance that gives effective central government in matters requiring national decision, and, in all other matters, full scope for provincial and local diversity. Liberalism will continue to uphold provincial rights and the traditions and customs which they express and guard.

Mr. Grafftey: I thought the hon. member had made his maiden speech.

Mr. Matheson: Does the hon. member for Brome-Missisquoi have a question?

Mr. Ricard: The hon. member will not accept questions until he has finished. He never wants to answer my questions.

Mr. Grafftey: I merely point out that the hon. gentleman is doing a lot of talking considering that it is his first term in the house.

Mr. Benidickson: He is no longer "nouveau".

Mr. Speaker: Order. There have been many impromptu speeches made by hon. members speaking from their seats and sometimes from the seats of other hon. members. I trust that hon. gentlemen will allow the hon. member who has the floor to conclude his speech.

Mr. Matheson: I continue:

The Liberal party believes Canada cannot be prosperous unless every part of it enjoys prosperity. To achieve that purpose the financial resources of the nation must be available to provide both the national government and provincial and municipal governments with adequate revenues without imposing undue tax burdens.—The Liberal party therefore upholds the principle of equalization in federal-provincial tax arrangements. All provinces should receive the same revenue, per head of population, from the taxes shared with the federal government. In this way, Canadians everywhere receive an equal share of the revenues derived from national economic activities.—We condemn the Conservative proposal to destroy equalization and return to the pre-war conditions under which Canadians in different provinces had to pay different rates of tax—

[Mr. Matheson.]

I submit, Mr. Speaker, that is precisely the effect of Bill No. C-122. I continue:

For a sound economy, it is important to retain the principle of equalization and also the related principle of stabilization. Tax revenues fall off if we encounter a recession in business. The federal government should protect the provinces against any serious decline in their revenues from the shared taxes.

(Translation):

Mr. J. N. Tremblay (Roberval): Mr. Speaker, the hon. member for "Chateau-Maisonneuve" (Mr. Deschatelets) prophesied a moment ago some rather dark days for our country and our province when he stated that his party would soon be brought back to power. I cannot, of course, stop this gloomy Cassandra from prophesying as he pleases, but it seems to me that past experience should prompt the hon. member for Maisonneuve-Rosemont to ask himhimself what would be the reaction of the people of this country should as tragic an event as the one he has just forecast become a reality. While listening to his complaints about the present situation and the blame he was putting on the Conservative government with regard to this tax-sharing issue, I was casting my mind back on all the events which, since 1939, have marked Canadian politics and shaken the very foundations of our constitution. Naturally, I connect those events with the presence of a Liberal government at the head of the country. That is why I find it difficult to believe the remarks made in this house by all Liberal members, and that is why I found it difficult to credit with sincerity a political party which was, for so many years, the contented promoter of constitutional disintegration.

Mr. Speaker, I should like to make one or two very short remarks on the general problem involved in the bill before us.

First of all, I should like to remind hon. members of a fact which I feel is basic, and that is that the stand of the members from Quebec on the problem involved in this bill cannot necessarily be the same as that of the members from the other provinces. I will probably surprise nobody by repeating, after a great many leaders, that the province of Quebec is not a province like the others and that, for this very reason, it cannot take the same stand as the other provinces on certain issues. Quebec has to consider carefully and circumspectly all constitutional proposals, for these proposals often

contain important factors for the future of the people who make up the majority in the province of Quebec.

I am not an expert on constitutional matters, far from it, Mr. Speaker. Therefore, I could not pretend to be well informed nor go into technical details on the various solutions which can be brought to our constitutional problems. However, having studied very recent history, that is the history of the last 15 years, I realize that a change has come about since 1958 which leads us to believe—and I am one of those who believe it—that our constitutional problems are being given a solution more in line with the general principles of our Canadian constitution.

A moment ago, the hon. member for Maisonneuve-Rosemont referred to the so-called autonomist spirit which is typical of the Liberal party. Frankly, in all that transpired from 1939 to 1957, I find very few signs of that spirit which, according to the hon. member for Maisonneuve-Rosemont, gives inspiration to the Liberal party, because, as I just pointed out, that party seems to have been the most frantic promoter of our constitutional disintegration by suggesting, year after year, steps designed to progressively take away from the provinces the rights and the privileges granted to them by the constitution.

I should like to recall a fact in order to show that the Liberal party has been far from being an autonomist party but that it has rather strived against this idea, this principle and this reality of provincial autonomy written into the Canadian constitution. And I should like to bring forward the problem of the invasion, due to the schemings of the Liberal party, of the field of education by the central government.

Mr. Speaker, may I call it 10.30?

(Text):

BUSINESS OF THE HOUSE

Mr. Chevrier: May I inquire what the business will be for tomorrow.

Mr. Churchill: Mr. Speaker, the first matter to come before the house will be the report of the committee on procedure of the House of Commons which was tabled today. It will be printed in *Votes and Proceedings* so that members may study it. Since the report is a unanimous one of an all party committee chaired by Mr. Speaker himself, perhaps there will be no debate on the proposals, in view of the fact that the suggestions therein contained are applicable to the next session of parliament on a trial basis.

The main item of government business will be a continuation of the debate on Bill No. C-122, the dominion-provincial tax collection agreement, followed by the estimates of the Department of Finance, followed by the estimates of the Department of Transport.

At 10.32 p.m. the house adjourned, without question put, pursuant to special order.

APPENDIX "A"

PROPOSED DECLARATION ON DISARMAMENT

September 22, 1961

The following is submitted by the United States of America as a proposed declaration on disarmament for consideration by the general assembly of the United Nations as a guide for the negotiation of a program for general and complete disarmament in a peaceful world.

Declaration on Disarmament:
A Program for General and Complete Disarmament in a Peaceful World

The nations of the world,

Conscious of the crisis in human history produced by the revolutionary development of modern weapons within a world divided by serious ideological differences;

Determined to save present and succeeding generations from the scourge of war and the dangers and burdens of the arms race and to create conditions in which all peoples can strive freely and peacefully to fulfil their basic aspirations;

Declare their goal to be: A free, secure, and peaceful world of independent states adhering to common standards of justice and international conduct and subjecting the use of force to the rule of law; a world where adjustment to change takes place in accordance with the principles of the United Nations; a world where there shall be a permanent state of general and complete disarmament under effective international control and where the resources of nations shall be devoted to man's material, cultural, and spiritual advance;

Set forth as the objectives of a program of general and complete disarmament in a peaceful world:

(a) The disbanding of all national armed forces and the prohibition of their re-establishment in any form whatsoever other than those required to preserve internal order and for contributions to a United Nations peace force;

(b) The elimination from national arsenals of all armaments, including all weapons of mass destruction and the means for their delivery, other than those required for a United Nations peace force and for maintaining internal order;

(c) The establishment and effective operation of an international disarmament organization within the framework of the United Nations to ensure compliance at all times with all disarmament obligations;

(d) The institution of effective means for the enforcement of international agreements, for the settlement of disputes, and for the maintenance of peace in accordance with the principles of the United Nations.

Call on the negotiating states:

(a) To develop the outline program set forth below into an agreed plan for general and complete disarmament and to continue their efforts without interruption until the whole program has been achieved;

(b) To this end to seek to attain the widest possible area of agreement at the earliest possible date;

(c) Also to seek without prejudice to progress on the disarmament program agreement on those immediate measures that could contribute to the common security of nations and that could facilitate and form a part of that program.

Affirm that disarmament negotiations should be guided by the following principles:

(a) Disarmament shall take place as rapidly as possible until it is completed in stages containing balanced, phased and safeguarded measures, with each measure and stage to be carried out in an agreed period of time.

(b) Compliance with all disarmament obligations shall be effectively verified from their entry into force. Verification arrangements shall be instituted progressively and in such a manner as to verify not only that agreed limitations or reductions take place but also that retained armed forces and armaments do not exceed agreed levels at any stage.

(c) Disarmament shall take place in a manner that will not affect adversely the security of any state, whether or not a party to an international agreement or treaty.

(d) As states relinquish their arms, the United Nations shall be progressively strengthened in order to improve its capacity to assure international security and the peaceful settlement of differences as well as to facilitate the development of international cooperation in common tasks for the benefit of mankind.

(e) Transition from one stage of disarmament to the next shall take place as soon as all the measures in the preceding stage have been carried out and effective verification is continuing and as soon as the arrangements that have been agreed to be necessary for the next stage have been instituted.

Agree upon the following outline program for achieving general and complete disarmament:

Stage I

A. To establish an international disarmament organization:

(a) An international disarmament organisation (IDO) shall be established within the framework of the United Nations upon entry into force of the agreement. Its functions shall be expanded progressively as required for the effective verification of the disarmament program.

(b) The IDO shall have: (1) a general conference of all the parties; (2) a commission consisting of representatives of all the major powers as permanent members and certain other states on a rotating basis; and (3) an administrator who will administer the organization subject to the direction of the commission and who will have the authority, staff, and finances adequate to assure effective impartial implementation of the functions of the organization.

(c) The IDO shall: (1) ensure compliance with the obligations undertaken by verifying the execution of measures agreed upon; (2) assist the states in developing the details of agreed further verification and disarmament measures; (3) provide for the establishment of such bodies as may be necessary for working out the details of further measures provided for in the program and for such other expert study groups as may be required to give continuous study to the problems of disarmament; (4) receive reports on the progress of disarmament and verification arrangements and determine the transition from one stage to the next.

B. To reduce armed forces and armaments:

(a) Force levels shall be limited to 2.1 million each for the U.S. and U.S.S.R. and to appropriate levels not exceeding 2.1 million each for all other militarily significant states. Reductions to the agreed levels will proceed by equitable, proportionate, and verified steps.

(b) Levels of armaments of prescribed types shall be reduced by equitable and balanced steps. The reductions shall be accomplished by transfers of armaments to depots supervised by the IDO. When, at specified periods during the stage I reduction process, the states party to the agreement have agreed that the armaments and armed forces are at prescribed levels, the armaments in depots shall be destroyed or converted to peaceful uses.

(c) The production of agreed types of armaments shall be limited.

(d) A chemical, biological, radiological (CBR) experts commission shall be established within the IDO for the purpose of examining and reporting on the feasibility and means for accomplishing verifiable reduction and eventual elimination of CBR weapons stockpiles and the halting of their production.

C. To contain and reduce the nuclear threat:

(a) States that have not acceded to a treaty effectively prohibiting the testing of nuclear weapons shall do so.

(b) The production of fissionable materials for use in weapons shall be stopped.

(c) Upon the cessation of production of fissionable materials for use in weapons, agreed initial quantities of fissionable materials from past production shall be transferred to non-weapons purposes.

(d) Any fissionable materials transferred between countries for peaceful uses of nuclear energy shall be subject to appropriate safeguards to be developed in agreement with the IAEA.

(e) States owning nuclear weapons shall not relinquish control of such weapons to any nation not owning them and shall not transmit to any such nation the information or material necessary for their manufacture. States not owning nuclear weapons shall not manufacture such weapons, attempt to obtain control of such weapons belonging to other states, or seek or receive information or materials necessary to their manufacture.

(f) A nuclear experts commission consisting of representatives of the nuclear states shall be established within the IDO for the purpose of examining and reporting on the feasibility and means for accomplishing the verified reduction and eventual elimination of nuclear weapons stockpiles.

D. To reduce strategic nuclear weapons delivery vehicles:

(a) Strategic nuclear weapons delivery vehicles in specified categories and agreed types of weapons designed to counter such vehicles shall be reduced to agreed levels by equitable and balanced steps. The reduction shall be accomplished in each step by transfers to depots supervised by the IDO of vehicles that are in excess of levels agreed upon for each step. At specified period during the Stage I reduction process, the vehicles that have been placed under supervision of the IDO shall be destroyed or converted to peaceful uses.

(b) Production of agreed categories of strategic nuclear weapons delivery vehicles and agreed types of weapons designed to counter such vehicles shall be discontinued or limited.

(c) Testing of agreed categories of strategic nuclear weapons delivery vehicles and agreed types of weapons designed to counter such vehicles shall be limited or halted.

E. To promote the peaceful uses of outer space:

(a) The placing into orbit or stationing in outer space of weapons capable of producing mass destruction shall be prohibited.

(b) States shall give advance notification to participating states and to the IDO of launchings of space vehicles and missiles, together with the track of the vehicle.

F. To reduce the risks of war by accident, miscalculation, and surprise attack:

(a) States shall give advance notification to the participating states and to the IDO of major military movements and manoeuvres, on a scale as may be agreed, which might give rise to misinterpretation or cause alarm and induce counter-measures. The notification shall include the geographic areas to be used and the nature, scale and time span of the event.

(b) There shall be established observation posts at such locations as major ports, railway centres, motor highways, and air bases to report on concentrations and movements of military forces.

(c) There shall also be established such additional inspection arrangements to reduce the danger of surprise attack as may be agreed.

(d) An international commission shall be established immediately within the IDO to examine and make recommendations on the possibility of further measures to reduce the risks of nuclear war by accident, miscalculation, or failure of communication.

G. To keep the peace:

(a) States shall reaffirm their obligations under the UN Charter to refrain from the threat or use of any type of armed force—including nuclear, conventional, or CBR—contrary to the principles of the UN Charter.

(b) States shall agree to refrain from indirect aggression and subversion against any country.

(c) States shall use all appropriate processes for the peaceful settlement of disputes and shall seek within the United Nations further arrangements for the peaceful settlement of international disputes and for the codification and progressive development of international law.

(d) States shall develop arrangements in stage I for the establishment in stage II of a UN peace force.

(e) A UN peace observation group shall be staffed with a standing cadre of observers who could be dispatched to investigate any situation which might constitute a threat to or breach of the peace.

Stage II

A. International disarmament organization:

The powers and responsibilities of the IDO shall be progressively enlarged in order to give it the capabilities to verify the measures undertaken in stage II.

B. To further reduce armed forces and armaments:

(a) Levels of forces for the U.S., U.S.S.R., and other militarily significant states shall be further reduced by substantial amounts to agreed levels in equitable and balanced steps.

(b) Levels of armaments of prescribed types shall be further reduced by equitable and balanced steps. The reduction shall be accomplished by transfers of armaments to depots supervised by the IDO. When, at specified periods during the stage II reduction process, the parties have agreed that the armaments and armed forces are at prescribed levels, the armaments in depots shall be destroyed or converted to peaceful uses.

(c) There shall be further agreed restrictions on the production of armaments.

(d) Agreed military bases and facilities wherever they are located shall be dismantled or converted to peaceful uses.

(e) Depending upon the findings of the experts commission on CBR weapons, the production of CBR weapons shall be halted, existing stocks progressively reduced, and the resulting excess quantities destroyed or converted to peaceful uses.

C. To further reduce the nuclear threat:

Stocks of nuclear weapons shall be progressively reduced to the minimum levels which can be agreed upon as a result of the findings of the nuclear experts commission; the resulting excess of fissionable material shall be transferred to peaceful purposes.

D. To further reduce strategic nuclear weapons delivery vehicles:

Further reductions in the stocks of strategic nuclear weapons delivery vehicles and agreed types of weapons designed to counter such vehicles shall be carried out in accordance with the procedure outlined in stage I.

E. To keep the peace:

During stage II, states shall develop further the peace-keeping processes of the United Nations, to the end that the United Nations can effectively in stage III deter or suppress any threat or use of force in violation of the purposes and principles of the United Nations:

(a) States shall agree upon strengthening the structure, authority, and operation of the United Nations so as to assure that the United Nations will be able effectively to protect states against threats to or breaches of the peace.

(b) The UN peace force shall be established and progressively strengthened.

(c) States shall also agree upon further improvements and developments in rules of international conduct and in processes for peaceful settlement of disputes and differences.

Stage III

By the time stage II has been completed, the confidence produced through a verified disarmament program, the acceptance of rules of peaceful international behavior, and the development of strengthened international peace-keeping processes within the framework of the UN should have reached a point where the states of the world can move forward to stage III. In stage III progressive controlled disarmament and continuously developing principles and procedures of international law would proceed to a point where no state would have the military power to challenge the progressively strengthened UN peace force and all international disputes would be settled according to the agreed principles of international conduct.

The progressive steps to be taken during the final phase of the disarmament program would be directed toward the attainment of a world in which:

(a) States would retain only those forces, non-nuclear armaments, and establishments required for the purpose of maintaining internal order; they would also support and provide agreed manpower for a UN peace force.

(b) A UN peace force, equipped with agreed types and quantities of armaments, would be fully functioning.

(c) The manufacture of armaments would be prohibited except for those of agreed types and quantities, to be used by the UN peace force and those required to maintain internal order. All other armaments would be destroyed or converted to peaceful purposes.

(d) The peace keeping capabilities of the United Nations would be sufficiently strong and the obligations of all states under such arrangements sufficiently far reaching as to assure peace and the just settlement of differences in a disarmed world.

APPENDIX "B"

FEDERAL PAYMENTS TO PROVINCIAL GOVERNMENTS

AMOUNTS PAID BY THE FEDERAL GOVERNMENT UNDER THE UNEMPLOYMENT ASSISTANCE ACT BY PROVINCE DURING EACH YEAR FROM THE INCEPTION OF THE ACT TO MARCH 31, 1961 (1)

Province	1956–57	1957–58	1958–59	1959–60	1960–61
	$	$	$	$	$
Newfoundland	2,373,125	1,787,894	3,040,767	3,670,091	2,832,548
Prince Edward Island	96,139	73,010	67,726	113,096	110,951
Nova Scotia	—	26,046	298,458	654,039	1,609,453
New Brunswick	28,845	42,237	180,614	351,252	1,396,476
Quebec	—	—	—	7,790,530	14,164,527
Ontario	—	2,135,460	9,325,564	14,028,523	12,916,311
Manitoba	805,375	750,681	1,604,219	2,380,231	3,276,825
Saskatchewan	665,969	626,680	1,420,168	1,828,313	2,269,710
Alberta	—	—	1,858,633	2,071,494	2,555,920
British Columbia	3,906,115	2,791,117	6,136,935	7,245,439	10,313,342
Northwest Territories	—	—	—	33,418	20,413
Yukon	—	—	—	—	53,610
CANADA	7,875,568	8,233,125	23,933,534	40,166,426	51,520,085

(1) The amounts shown are the federal treasury payments made during each fiscal year. They relate in each case to claims submitted by the provinces for months prior to the fiscal year and to claims for the year which were submitted and paid prior to March 31.

HOUSE OF COMMONS

Wednesday, September 27, 1961

The house met at 11 a.m.

COMMITTEES OF THE HOUSE

Eighth and ninth reports of the standing committee on miscellaneous private bills—Mr. Mandziuk.

PROCEDURE—CONCURRENCE IN SECOND REPORT OF SPECIAL COMMITTEE

Hon. Gordon Churchill (Minister of Veterans Affairs) moved:

That the second report of the special committee appointed to consider with Mr. Speaker the procedure of this house, presented on Tuesday, September 26, be now concurred in.

Motion agreed to.

HOUSING

UNIVERSITIES IN RECEIPT OF AND ELIGIBLE FOR ASSISTANCE

Hon. D. J. Walker (Minister of Public Works): On September 19 last, during discussion on the second reading of Bill No. 128 to amend the National Housing Act, the hon. member for Bonavista-Twillingate asked if I would place on record in *Hansard* a list of those universities which have had loans approved under part VIA of the National Housing Act. I now have this list, and with the permission of the house I shall be glad to have it tabled for inclusion in *Hansard.*

The hon. gentleman also asked for a list showing all the institutions which would be eligible for such loans. There is, of course, no such definitive list. I thought I had made this abundantly clear when replying to a similar question asked in December of last year, when my answer was recorded on page 1028 of *Hansard.* However, so as to avoid any further misunderstanding I will again define the meaning of "university" for the purposes of this part of the act. Institutions eligible for loans under part VIA of the National Housing Act are all degree conferring universities or colleges and also other institutions in which courses of full university standard are given although the degree may be conferred by a university with which it is affiliated.

May I have the permission of the house to table the list?

Mr. Speaker: To table and print it. Perhaps it would be convenient if it were printed at the point in *Hansard* where the answer is given. Is that agreed?

Some hon. Members: Agreed.

[*Editor's note: The table above referred to is as follows:*]

N.H.A. LOAN APPROVALS FOR UNIVERSITY STUDENT RESIDENCES
AS AT SEPTEMBER 25, 1961

Name of Institution	Amount of Loan	Students Accommodated
Acadia University, Wolfeville, N.S.	$ 503,370	145
Assumption University, Windsor, Ont.	1,378,564	220
Brandon College, Brandon, Man.	905,972	152
University of British Columbia, Vancouver, B.C.	1,331,946	336
Carleton University, Ottawa, Ont.	1,512,000	315
Emmanuel College, Saskatoon, Sask.	394,176	82
University of King's College, Halifax, N.S.	689,670	106
Laval University, Quebec City, Que.	3,255,000	465
Mount St. Bernard College, Antigonish, N.S.	560,862	126
University of New Brunswick, Fredericton, N.B.	1,800,000	428
Notre Dame College, Wilcox, Sask.	213,975	36
L'Academie de Quebec, Quebec City, Que.	810,000	200
St. Francis Xavier University, Antigonish, N.S.	1,315,863	314
University of Sherbrooke, Sherbrooke, Que.	1,750,000	461
United College, Winnipeg, Man.	692,658	136
Waterloo Lutheran University, Waterloo, Ontario	275,790	100
*University of St. Jerome's College, Kitchener, Ont.	300,000	98
*Seminaire de Nicolet, P.Q.	483,300	125
*Seminaire Saint-Pie X, Hauterive, Que.	221,706	90
*College de Matane, Matane, Que.	630,900	120
	$19,025,752	4055

* Awaiting order in council approval.

BREAKWATER CONSTRUCTION, PORT RENFREW, B.C.

Question No. 472—**Mr. Howard:**

1. Since January 1, 1961, have any representations been received regarding the building of a breakwater at Port Renfrew, Port San Juan bay, Vancouver island, B.C.?
2. If so, what is the name and address of each person, organization or group which made such representations, and the date of each?
3. What steps, if any, have been taken to build such a breakwater, and when will this project be started?

Hon. D. J. Walker (Minister of Public Works): The answer to the first question is yes. As for the second question, I have a long list and would ask leave to table it or to have it made an order for return. In answer to the third question, may I say that the proposal is still being studied and no decision has yet been reached on starting the project.

Mr. Speaker: Is it the pleasure of the house that the list be tabled?

Some hon. Members: Agreed.

[*Later:*]

On the orders of the day:

Mr. Frank Howard (Skeena): Mr. Speaker, I wish to direct a question to the Minister of Public Works arising out of his answer to starred question No. 472 the reply to which was tabled and which I have now examined. Why is the name of George Chatterton missing from the list, in view of the fact that on May 4, 1961 the minister indicated that Mr. Chatterton had made representations to him about the construction of this breakwater?

Hon. D. J. Walker (Minister of Public Works): Mr. Speaker, the reeve of Saanich is very different from the hon. member for Skeena. He came to see me personally not once but many times. He was not content with simply writing me letters.

Mr. Howard: Why, then, is his name not on the list?

Mr. Walker: If the hon. member reads the question and reply again he will have his answer.

COMBINES BRANCH—PRICE INCREASE, RADIO AND TELEVISION TUBES

Question No. 473—**Mr. Benidickson:**

Has the director of investigation and research of the combines investigation branch initiated an investigation into a simultaneous price increase of radio and television tubes by two manufacturers in the electronics industry?

Hon. E. D. Fulton (Minister of Justice): The combines branch maintains a continuing interest in this field as in other fields, and any information coming to the attention of the director which may indicate a possible contravention of the Combines Investigation Act is considered carefully to determine whether the situation is such as to warrant formal inquiry. The general practice, however, is that no information is given out as to whether an inquiry under the act is being pursued in a particular industry unless and until a report is published.

REDUCTION OF BENEFITS TO COAL MINERS, N.S.

Question No. 474—**Mr. Martin (Essex East):**

1. Has the Minister of Labour or the unemployment insurance commission received representations from the Phalen local of the united mine workers in Nova Scotia respecting the reduction in benefits during the week following the vacation period in the coal mines?
2. If so, has a reply been made, and what is the nature of the reply?

Mr. R. D. Thrasher (Parliamentary Secretary to the Minister of Labour): The answer to the first part of the question is yes. In answer to the second part, a telegram reading as follows was sent to the Phalen local of the united mine workers in Nova Scotia on August 24, 1961:

Holiday pay for Dominion Coal employees will be allocated on basis of normal earnings for six day work week. Believe this will rectify situation which you brought to my attention.

CONTEMPLATED CHANGES, MONTREAL-HALIFAX PASSENGER SERVICE

Question No. 475—**Mr. McWilliam:**

1. Is a change contemplated in the Montreal-Halifax passenger service provided by the Ocean Limited, the Scotian, and the Maritime Express?
2. If so, (a) what are the changes contemplated? (b) what trades will be affected, and what will be the reduction in personnel in each trade? (c) will they affect present passenger services between divisional and subdivision points?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, in answer to parts 1 and 2 of this question, the management of Canadian National Railways advise that the maritime train services are currently under review but no changes have yet been decided upon.

WAGE INVESTIGATION, POINT EDWARD NAVAL BASE

Question No. 476—**Mr. Robichaud:**

1. Has the Minister of National Defence received a communication from the international association of machinists, Point Edward naval base, requesting an investigation of the wage structure at the base with a view to establishing rates comparable for similar employees in other industries in the same area?
2. If so, what action has been taken on this request?

Mr. Egan Chambers (Parliamentary Secretary to the Minister of National Defence): Mr. Speaker, the answer to part 1 of this question is yes. In answer to part 2, the information in this letter has been forwarded

to the Department of Labour, since that department is responsible for investigating and making recommendations regarding appropriate wage rates for prevailing rate employees of all government departments.

CHAMPLAIN BRIDGE, MONTREAL

Question No. 477—**Mr. Loiselle:**

1. When was the decision taken to build the Champlain bridge?
2. What was the estimate of cost at that date?
3. Have other estimates of cost been made since that date, and, if so, on what dates?
4. What is the present estimate of cost?
5. How many contracts have been given for the construction of this bridge and approaches, to whom, on what date, for what work, and in what amounts?
6. Have any claims been filed with the national harbours board by any of these contractors or subcontractors, and in what amounts?
7. What will be the final cost of this bridge?
8. What will be the official date for the opening of the bridge?
9. Will all the proposed approaches be ready at the opening of the bridge, and, if not, when will each approach be ready?

Starred Questions

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, the details of a number of contracts are included in the answers to the several parts of this question. As the complete answer is very lengthy, perhaps the house will agree that it be printed in *Hansard* without being read.

Mr. Speaker: Is it agreed?

Some hon. Members: Agreed.

[*Editor's note: The answer above referred to is as follows:*]

The national harbours board advises as follows:

1. The construction of the bridge was authorized in 1955.
2. The estimate of cost at that date was $35,000,000.
3. No.
4. The present estimated cost of the bridge is $35,300,338.
5. The following contracts have been awarded in connection with the construction of Champlain bridge:

Description	Contractor	Amount	Date
Fill material, north end, Nuns' island bridge	Edouard Monette Ltee	$ 108,332.72	July 25/57
Piers 1E, 2E, and 1W, 2W, Nuns' island bridge	Atlas Construction Co. Ltd.	638,863.34	July 25/57
Fill, south approach, Nuns' island bridge	Walsh-Canadian Construction Co.	56,144.30	Sept. 25/57
Construction of temporary causeway from city of Montreal to Nuns' island	Edouard Monette Ltee	298,851.40	Feb. 26/58
Construction of piers and abutments, section 3 of Nuns' island bridge	The Foundation Company of Canada Limited	1,640,650.00	July 29/58
Supply and placing of fill on Nuns' island	Miron Construction Limited	178,743.85	Sept. 19/58
Extension of St. Pierre collector outlet	McNamara (Quebec) Limited	343,223.00	June 5/59
Construction of superstructure, section 3 of Champlain bridge	Creaghan & Archibald Limited	1,044,540.00	July 17/59
Construction of piers and superstructure, sections 5 and 7A, Champlain bridge	McNamara (Quebec) Ltd. Key Construction, and Deschamps	8,317,797.00	June 29/59
Construction of superstructure, section 6 of Champlain bridge	Dominion Bridge Company, Limited	5,907,000.00	Oct. 2/59
Construction of abutment, piers and prestressed concrete superstructure, section 7B of Champlain bridge	A. Janin & Company	651,235.00	June 13/60

Starred Questions

Description	Contractor	Amount	Date
Supply and placing of fill for the main roadway embankment, section 2 of Champlain bridge	Charles Duranceau Ltee	$144,500.00	Sept. 2/60
Construction of the main overpass, section 2, Champlain bridge	Charles Duranceau Ltee	266,684.00	Nov. 16/60
Construction of the toll plaza and administration building, section 4, Champlain bridge	Louis Donolo Inc.	397,000.00	June 26/61
Construction of north and south overpasses, section 2, Champlain bridge	Quebec Engineering Ltd.	82,929.00	Aug. 18/61
Construction of roadways, sections 2 and 3, Champlain bridge	Miron Company Ltd.	618,892.39	Aug. 29/61

6. No.

7. The final cost of the bridge and approaches will be approximately $35,000,000, exclusive of interest during construction.

8. It is expected that the bridge will be open for traffic in June, 1962.

9. Not all the final approaches will be completed when the bridge is opened in 1962 but means of access to the bridge will be available at both the north and south shore ends of the bridge so that it can be operated satisfactory.

CHIGNECTO CANAL FEASIBILITY SURVEY

Question No. 478—**Mr. McWilliam:**

1. On what date did the federal government agree to participate in a survey of the feasibility and cost of the Chignecto canal?
2. On what date did the survey actually start?
3. Is survey work in progress on the site at the present time?
4. Have any representations been received since July 1, 1961, in connection with the Chignecto canal survey, and, if so, from whom?

Hon. D. J. Walker (Minister of Public Works): Mr. Speaker, I do not have the information available but it will be made available. This is the first time this question has appeared on the order paper. May I ask that this be made an order for return?

Mr. Speaker: Order for return.

[*Later:*]

On the orders of the day:

Mr. G. R. McWilliam (Northumberland-Miramichi): I wish to direct a question to the Minister of Public Works. In view of the minister's request that starred question No. 478 be made an order for return, and in view of the pending prorogation, I wonder if the minister would forward me the information requested as soon as possible.

Hon. D. J. Walker (Minister of Public Works): I shall be very happy to do that.

[Mr. Speaker.]

DR. G. LANGIS

Question No. 479—**Mr. Caron:**

1. Was Dr. G. Langis, M.D., at one time a temporary medical officer of the Department of National Health and Welfare, quarantine and sick mariners division?
2. How long had he acted in this capacity?
3. Has he been dismissed?
4. When, and for what reason?
5. Is Dr. Langis a veteran with overseas service?

Hon. J. W. Monteith (Minister of National Health and Welfare): Mr. Speaker, the answers to the five parts of this question are as follows:

1. Yes.

2. Dr. Langis was appointed port physician at Rimouski on December 5, 1935, and retained that position until August 25, 1961, with the exception of some three years during and immediately after the second world war.

3 and 4. A successor was named on August 25 of this year because it was felt that the duties of a part time position of this type, involving night calls and other inconveniences, could best be undertaken by a younger doctor who has not developed other demands on his time nor had the same opportunity to build up a large private practice. The new port physician had performed services for my department previously when Dr. Langis was not available.

5. Yes.

IMPORTS FROM AND EXPORTS TO CUBA—SUGAR IMPORTS

Question No. 480—**Mr. Howard:**

1. What was the value in dollars of (a) imports from, and (b) exports to Cuba, in (i) 1958 (ii) 1959 (iii) 1960 (iv) 1961 to date?
2. How much sugar was imported by Canada by countries, and by (a) tons (b) value in dollars, in (i) 1958 (ii) 1959 (iii) 1960 (iv) 1961 to date?

Mr. E. L. Morris (Parliamentary Secretary to the Minister of Trade and Commerce): Mr. Speaker, the answer to this question requires

three pages of tabulated material. It should be made an order for return, the answer tabled herewith.

Mr. Speaker: Order for return.

POLITICAL BROADCASTS, C.B.C.

Question No. 481—**Mr. Howard:**

1. For each year from January 1, 1956, to December 31, 1960, how many hours has the Canadian Broadcasting Corporation granted, on both the English and French networks, for (a) radio broadcasts, and (b) television broadcasts, to any of the conventions by the (i) Progressive Conservative party (ii) Liberal party (iii) Social Credit party, and (iv) Co-operative Commonwealth Federation?
2. In each of the above-mentioned cases, what were the total amounts spent for broadcasting purposes?

Hon. George C. Nowlan (Minister of National Revenue): Mr. Speaker, there is a tremendous amount of detail material necessary in preparing the answer to this question. The corporation has been working on it but the information is not available today. Perhaps the hon. member will be willing to have this made an order for return so the answer could be forthcoming in the very near future. Alternatively, the next time these questions are called it could appear on the order paper again.

Mr. Speaker: Order for return.

BANK OF CANADA PENSION SCHEME

Question No. 482—**Mr. Matheson:**

1. What action, if any, has the government taken with respect to the pension scheme which was adopted by the board of directors of the Bank of Canada on February 15, 1960?
2. In what respect has such action, if any, affected the pension rights of the former governor, Mr. James Coyne?
3. In what respect has such action, if any, affected any other employees of the Bank of Canada?

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, the board of directors of the Bank of Canada at its meeting on July 22, 1961 decided to seek legal opinion on the validity of the bank's pension by-law and in particular rule No. 17 in that by-law. On the same day the board of directors adopted a resolution suspending rule No. 17 of the by-law pending further consideration by the board.

SARNIA INDIAN RESERVE—TRUSTS ESTABLISHED IN LAND SALE

Question No. 483—**Mr. Pickersgill:**

1. Were any trusts established in connection with the sale of the Sarnia Indian reserve which has since been cancelled?
2. What was the purpose of these trusts, and what amount was set aside for each of them?
3. Are the trusts being used for the purpose for which they were established?
4. If not, what disposition is to be made of these trusts?
5. Has any attempt been made to ascertain the views of the Sarnia Indian band with respect to these trusts, and, if so, with what results?
6. If the band has not been consulted, is it proposed to consult the band, and, if so, when, and how?

Hon. Ellen L. Fairclough (Minister of Citizenship and Immigration): Mr. Speaker, the answers to the six parts of this question are as follows:

1. Yes.

2. (a) The sum of $500,000 for the establishment of a modern village.

(b) The sum of $100,000 to aid members without land holdings to acquire building sites in the village.

3. The funds set aside in trust are being held to be used for the purposes stipulated.

4. Not applicable.

5. By vote taken on August 28, 1961 a majority of the electors of the band favoured a per capita distribution of these trust moneys. The legal problems involved are under study.

6. Answered by 5.

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I should like to ask the Minister of Citizenship and Immigration a question supplementary to the starred question to which she replied earlier. May I ask the hon. lady whether there is any present intention of going ahead with the model village in the Sarnia reserve which was provided for in the agreement between the crown and Dimensional Investments Limited?

Hon. Ellen L. Fairclough (Minister of Citizenship and Immigration): Mr. Speaker, some progress has been made. Some houses have been built and are presently occupied. I would have to have more information about the present situation before I could definitely answer the hon. member.

While I am on this subject may I refer to the answer which I gave earlier this morning. Possibly I should draw attention to the fact that there is a slight discrepancy between the figure of $1 million I gave yesterday and the figures I gave the hon. member this morning, which amounted to $600,000. The explanation of the $400,000 discrepancy is that that sum is in the band funds. That is the amount required under section 64 (a), of the Indian Act, that is 50 per cent of the capital funds, to be deposited in the band funds, the balance being available for distribution in circumstances similar to those in this case.

Mr. Pickersgill: I have another question I wish to put to the hon. lady. Are any negotiations or discussions going on at the present

time with respect to another sale or attempted sale of the reserve, or what is left of it?

Mrs. Fairclough: I cannot answer that, Mr. Speaker, because the initial negotiations would be with the Indians. I really could not say whether they are presently negotiating with other purchasers. We usually do not hear about these matters in the branch until such time as some progress has been made.

Mr. Pickersgill: Well, the hon. lady is not aware of such discussions, is that correct?

Mrs. Fairclough: No, Mr. Speaker.

QUESTIONS PASSED AS ORDERS FOR RETURNS

CHIGNECTO CANAL FEASIBILITY SURVEY

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2. In each of the above mentioned cases, what were the total amounts spent for broadcasting purposes?

MOTIONS FOR PAPERS

TEXTS OF MINISTERS' SPEECHES, ACCRA CONFERENCE

Motion No. 164—**Mr. Matheson:**

For copies of the texts of the speeches delivered by the Minister of Finance and the Minister of Trade and Commerce at the Accra conference.

Hon. George H. Hees (Minister of Trade and Commerce): Mr. Speaker, as I stated on Monday last, as recorded at page 8829 of *Hansard* of that date, it is not considered correct procedure for ministers, when they return to the governments which they represent, and to their houses of parliament, to table the text of speeches delivered at a conference. In view of this I wonder whether the hon. member would consider withdrawing his motion.

Mr. Matheson: No.

Mr. Speaker: Those in favour of the motion will please say yea.

Some hon. Members: Yea.

Mr. Speaker: Those against will please say nay.

Some hon. Members: Nay.

Mr. Speaker: In my opinion the nays have it.

And more than five members having risen:

Mr. Speaker: Call in the members.

The house divided on the motion (Mr. Matheson) which was negatived on the following division:

YEAS

Messrs:

Argue	Lessard
Badanai	McIlraith
Benidickson	McMillan
Boivin	McWilliam
Brassard (Lapointe)	Martin (Timmins)
Caron	Matheson
Carter	Meunier
Chevrier	Mitchell
Clermont	Nixon
Crestohl	Pickersgill
Denis	Pitman
Deschatelets	Racine
Dumas	Richard (Ottawa East)
Dupuis	Roberge
Eudes	Robichaud
Garland	Rouleau
Hellyer	Tardif
Howard	Tucker—37.
LaMarsh, Miss	

NAYS

Messrs:

Aitken, Miss	Cooper
Allmark	Creaghan
Balcer	Crouse
Baldwin	Danforth
Baskin	Deschambault
Beech	Diefenbaker
Bell (Carleton)	Dinsdale
Bell (Saint John-Albert)	Dorion
Bissonnette	Doucett
Browne (Vancouver-Kingsway)	Dubois
	English
Brunsden	Fairclough, Mrs.
Cadieu	Fane
Campbell (Lambton-Kent)	Fleming (Eglinton)
	Flemming (Royal)
Campbell (Stormont)	Forbes
Cathers	Fournier
Chambers	Frechette
Charlton	Fulton
Churchill	Grafftey
Clancy	Grills
Coates	Gundlock

Hales	Muir (Lisgar)
Halpenny	Murphy
Hamilton (Qu'Appelle)	Nasserden
Harkness	Nesbitt
Hees	Nowlan
Henderson	Nugent
Hicks	O'Hurley
Hodgson	O'Leary
Horner (Acadia)	Ormiston
Horner (Jasper-Edson)	Pallett
Horner (The Battlefords)	Parizeau
Jones	Pascoe
Jorgenson	Paul
Jung	Payne
Kennedy	Phillips
Kindt	Pugh
Korchinski	Rapp
Lafreniere	Regnier
Lahaye	Ricard
Lambert	Rogers
Legere	Rompre
Lennard	Rynard
Macdonald, Mrs.	Simpson
Macdonnell	Skoreyko
MacEwan	Small
MacInnis	Smallwood
MacLean (Queens)	Smith (Calgary South)
MacLean (Winnipeg North Centre)	Smith (Lincoln)
	Smith (Simcoe North)
MacLellan	Smith (Winnipeg North)
McBain	Speakman
McFarlane	Spencer
McGee	Starr
McGrath	Stefanson
McIntosh	Stewart
McLennan	Tassé
McPhillips	Thompson
McQuillan	Thrasher
Mandziuk	Tremblay
Martineau	Villeneuve
Matthews	Vivian
Milligan	Walker
Monteith (Perth)	Webb
Monteith (Verdun)	Webster
Morissette	Weichel
Morris	White
Muir (Cape Breton North and Victoria)	Winkler
	Wratten—136.

Mr. Speaker: I declare the motion lost.

TRADE

INQUIRY AS TO EFFECT OF ANTI-COMBINES LEGISLATION

On the orders of the day:

Hon. Lionel Chevrier (Laurier): Mr. Speaker, may I direct a question to the Minister of Trade and Commerce and ask if it is a fact that the anti-combines legislation as it affects exports is not working satisfactorily, and that what was thought in 1960 to be a new spur to foreign sales has become in 1961 a disappointment to the trade department.

Hon. George H. Hees (Minister of Trade and Commerce): Mr. Speaker, I am not aware of this. If the hon. member wishes more specific information on how the anti-combines legislation is working, I think he should perhaps direct his question to the Minister of Justice.

Mr. Chevrier: A supplementary question, if I may, Mr. Speaker. I had reference, when I posed the question to the minister, to an article appearing in the Montreal *Gazette* of Monday in which it was indicated that because of the manner in which the legislation—

Mr. Speaker: Order. I think the hon. member for Laurier will agree that a question about an opinion expressed in a newspaper is scarcely asking for factual information. If there is a question of fact about the administration of the department, I would of course be prepared to accept it.

Mr. Chevrier: It is not an opinion, Mr. Speaker; it is a question of fact. I was asking the minister whether it was a fact that this legislation was working a hardship.

Mr. Hees: Mr. Speaker, the hon. member has answered his own question. He says it is a fact, and then he asks me if it is a fact. I think that shows how confused the hon. member is.

Mr. G. J. McIlraith (Ottawa West): Mr. Speaker, I should like to ask a related question of the Minister of Justice. It is based on a report in the Toronto *Globe and Mail* of today in which the head of the combines branch is reported as having made certain statements. My question is this. What are the weaknesses in the combines law that seem to be complained of and referred to in this speech?

Mr. Speaker: Order. With due deference to the hon. members who opened this line of inquiry, it is a matter for debate on the expression of opinion and is not something that could be answered briefly on the orders of the day. It would require perhaps half an hour to expound in order to give an adequate answer.

Mr. McIlraith: Then I put a question that is capable of a very short answer, yes or no. Did the minister see the report of the speech made by Mr. D. W. W. Henry, director of investigation and research under the combines act, which is contained in today's *Globe and Mail*?

Hon. E. D. Fulton (Minister of Justice): Mr. Speaker, Mr. Henry has made a number of speeches in recent months with my knowledge and approval, and I am sure I do not know to what speech the hon. member is referring.

Mr. McIlraith: I am referring to the one reported in today's *Globe and Mail.*

Mr. Fulton: As you have pointed out, Mr. Speaker, this is getting to be speculative. I have the article in today's *Globe and Mail*

but I have not yet been able to pinpoint any speech made by Mr. Henry referred to therein.

Mr. McIlraith: It is at the bottom of the column.

Mr. Fulton: Yes, I see. It was a speech made by Mr. Henry to the retail merchants' association in Toronto. If one reads that speech there is in it, as I see it, no statement that the legislation needs amending. My hon. friend has put a very different interpretation on it from that which I think a proper reading, even of the report in the *Globe and Mail*, would lead an ordinary, reasonable person to draw.

Mr. McIlraith: A further supplementary question, Mr. Speaker—

Mr. Speaker: Order. I am sorry, but I think the matter has been pursued far enough.

FINANCE

INQUIRY AS TO APPLICATION FOR BANK MERGER

On the orders of the day:

Mr. Frank Howard (Skeena): Mr. Speaker, I should like to direct a question to the Minister of Finance and ask the minister whether in recent days he has had any discussions with officials of the Bank of Montreal and the Bank of Nova Scotia relative to a merger of those two banks, and whether he has before him an application for a charter for a bank embracing the two banks I have mentioned.

Hon. Donald M. Fleming (Minister of Finance): No, sir.

GRAIN

INQUIRY AS TO QUOTA POSITION

On the orders of the day:

Mr. J. E. Pascoe (Moose Jaw-Lake Centre): Mr. Speaker, I should like to address a question to the Minister of Agriculture. Will the minister outline to the house the situation in regard to wheat delivery quotas on the prairies?

Hon. Alvin Hamilton (Minister of Agriculture): I am very glad I have been asked this question, Mr. Speaker, because it gives me an opportunity to—

Mr. Pickersgill: Make a speech.

Mr. Hamilton (Qu'Appelle): —make a statement. In the last crop year we were able for the first time to give a 7-bushel quota to every delivery point on the prairies. For this year to date I can quote the figures by provinces. I know all members are interested. Last year at this time there were 360 places in Manitoba on the initial unit quota and 9 on the 1-bushel quota. This year there are 89 on the initial unit quota, 169 on the 1-bushel quota, 50 on the 2-bushel quota, 20 on the 3-bushel quota, 4 on the 4-bushel quota, and 21 on the 5-bushel quota.

In Saskatchewan last year 959 were on the initial unit quota and 123 on the 1-bushel quota. This year there are 424 on the initial unit quota, 532 on the 1-bushel quota, 79 on the 2-bushel quota, 20 on the 3-bushel quota, 1 on the 4-bushel quota and 6 on the 5-bushel quota.

In Alberta last year there were 492 still on the initial unit quota and only 57 on the 1-bushel quota. This year there are 110 on the initial unit quota, 255 on the 1-bushel quota, 119 on the 2-bushel quota, 48 on the 3-bushel quota, 1 on the 4-bushel quota and 11 on the 5-bushel quota.

This indicates that we should be able, thanks to the exports of last year and the continuing good sales of this year, to have quotas up to 3 and 4 at most delivery points by Christmas.

LIVESTOCK

RABIES—COMPENSATION TO FARMERS FOR LOSS IN MINOR OUTBREAKS

On the orders of the day:

Mr. J. R. Garland (Nipissing): Mr. Speaker, I wonder whether I may direct a question to the Minister of Agriculture. Can the minister say if the federal authority is still in effect and if it will continue in respect of reimbursing the province of Ontario for 40 per cent of the money paid to Ontario farmers suffering loss of domestic animals through rabies?

Hon. Alvin Hamilton (Minister of Agriculture): Yes, Mr. Speaker, our legislation is effective as long as the provincial legislation in Ontario is effective.

(Translation):

EXTERNAL AFFAIRS

INQUIRY AS TO VISIT BY MINISTER TO VATICAN

On the orders of the day:

Mr. J. E. Bissonnette (Quebec West): Mr. Speaker, I should like to direct a question to the Minister of Finance. We were happy to hear of his recent visit to His Holiness Pope John XXIII.

Would the minister care to say a few words about the impression he had after his audience with the Holy Father and about the language in which they conversed?

(Text):

Mr. Speaker: Order. I do not wish to circumscribe the minister, who has recently returned from an interesting trip, but as I understood the question it seemed like a general invitation to the minister to give us a travelogue, and perhaps he could do that more suitably on the estimates. If there is a short point, I have no objection.

(Translation):

Hon. Donald M. Fleming (Minister of Finance): The conversation I was privileged to have with His Holiness, during a private audience, was entirely in French. As all members know, His Holiness speaks French with great facility.

(Text):

Mr. Pickersgill: May I put a supplementary question to the Minister of Finance and ask him if the question he has just answered has any relation to his administrative responsibility?

Mr. Speaker: I am sorry, but I misunderstood the question. I did not realize it was limited to a particular interview.

[*Later:*]

Mr. Speaker: Before calling orders of the day I wonder whether the house would allow me to make a correction in *Hansard*. I must apologize to the hon. member for Quebec West for misunderstanding his question. Unfortunately I relied on the translation, which was incomplete and faulty, and I did not understand that the hon. gentleman was asking about the minister's interview with His Holiness the Pope. I thought he was inviting the minister to give an account of his visit to Accra or to comment generally about his travels. I take the liberty of making this explanation because I am afraid earlier comments on what I thought had been asked might appear facetious in relation to the actual question.

BERLIN—REQUEST FOR COMMENT ON RUSSIAN PROPOSALS

On the orders of the day:

Mr. Douglas Jung (Vancouver Centre): I wish to direct a question to the Prime Minister. Would the Prime Minister care to comment on the proposal made yesterday by the Soviet foreign minister, Mr. Gromyko, regarding Berlin?

Right Hon. J. G. Diefenbaker (Prime Minister): I have read Mr. Gromyko's observations in which there were references to the type of settlement which might be acceptable to the U.S.S.R. in so far as the United Nations is concerned and its connection therewith. I think it was at Winnipeg, at a meeting of the bar association, that I outlined the possibilities in this direction, and I did so again in the house some two weeks ago. I pointed out that a United Nations connection with the Berlin problem might be advantageous. As a matter of fact that view was presented by the Canadian government two years ago.

Whether or not Mr. Gromyko's plan or suggestion contains anything that would be acceptable, I cannot say. The whole matter is being canvassed at the moment. Discussions are taking place between the various members of the United Nations to ascertain whether or not the United Nations could play a role which would be generally acceptable. I hope that might be achieved.

CIVIL DEFENCE

WESTMOUNT, QUE.—FEDERAL ASSISTANCE FOR BOMB SHELTERS

On the orders of the day:

Mr. L. D. Crestohl (Cartier): I wish to direct a question to the Minister of National Health and Welfare. Did the government receive a request from the city of Westmount to assist financially in the inclusion of bomb emergency shelters in apartment houses being erected in that city, or to subsidize those shelters? If so, can the minister inform the house what the government is doing about this inquiry?

Hon. J. W. Monteith (Minister of National Health and Welfare): I know of no such request.

CONFORMITY OF RECOMMENDED SHELTER WITH BUILDING CODE

On the orders of the day:

Mr. J. R. Garland (Nipissing): I should like to ask the Minister of Public Works whether he is in a position today to answer the question I put to him yesterday with respect to the conformity of the recommended shelters with the national building code.

Hon. D. J. Walker (Minister of Public Works): I was waiting only until the other questions had been asked. I am very happy to answer the hon. member for Nipissing, who asked whether it was true that the fall-out shelters which the government is recommending people should build in their basements are inconsistent with the national building code.

Upon inquiry I find that this matter has been considered by the associate committee of the national research council which drew up and recommended the national building

code. They have made the following statement about the matter, which is incorporated in the booklet on this shelter:

> The associate committee on the national building code of the national research council considers this design of household fall-out shelters to be structurally acceptable for its intended use for installation in the basements of dwellings, for emergency use only.
>
> The associate committee makes this statement since the provisions of the national building code are intended for use with buildings for normal conditions of occupancy and not for emergency use.

There are two aspects of the shelter which diverge, for good reason, from certain of the details of the national building code. The first and most obvious one is that the code stipulates that each room in a house should have a window. It would, of course, defeat the whole purpose of the shelter to put a window in it, and the need for ventilation in the shelter is looked after otherwise by vents which it is recommended be built in appropriate places that will not impair the protective value of the shelter.

The other feature specified in the code which has not been carried into the shelter design is that which states that masonry should not be structurally supported on timber. The shelter uses masonry in the form of concrete blocks as a shielding material. To carry it on steel or on other masonry supports would make the shelter very much more expensive and more difficult to build. For the emergency purposes for which the shelter is designed and for the period of usefulness that might reasonably be expected for a shelter, it has been determined that, as reflected by the quotation from the associate committee, the design proposed is quite adequate.

UNITED NATIONS

POSSIBLE APPOINTMENT OF CANADIAN MINISTER AS SECRETARY GENERAL

On the orders of the day:

Mr. H. O. White (Middlesex East): I wish to direct a question to the Prime Minister. Has the Prime Minister any report from our delegation at the United Nations to the effect that our Secretary of State for External Affairs could succeed the late Dag Hammarskjold as secretary general?

Right Hon. J. G. Diefenbaker (Prime Minister): I would be afraid to speak in appropriate terms as to the qualifications of the Secretary of State for External Affairs for that particular position because my words might be misunderstood, as was a previous statement I made, as evidence of a potential separation, which of course is non-existent. I know of no one who could discharge those responsibilities in a better manner, but, as the hon. gentleman knows, decisions in this regard are the result of consultation and require the support of some nations which I am sure, having regard to some of the statements which the Secretary of State for External Affairs has made on behalf of freedom, would not find his candidature altogether acceptable; I have in mind certain members of the United Nations.

LABOUR CONDITIONS

STATEMENT BY MOUNTED POLICE OFFICIAL RESPECTING UNION ACTIVITIES

On the orders of the day:

Mr. Frank Howard (Skeena): On Saturday last I put a question to the Minister of Justice. He was unavoidably absent at that moment. The question was based upon a speech made by Deputy Commissioner McClellan of the R.C.M.P. at Halifax with respect to some internal union matters at Sudbury. I wonder if the minister is now able to answer it.

Hon. E. D. Fulton (Minister of Justice): I have looked into this matter, and I find that what the deputy commissioner was discussing there was the question of fact. Of course it is a well accepted rule that officers in his position do not make speeches on matters of policy. This speech dealt with a matter of fact to which I myself have already alluded in this house, that is, the efforts made by communists to infiltrate trade unions and other perfectly reputable organizations.

BRITISH NORTH AMERICA ACT

OPPORTUNITY FOR REPRESENTATIONS RESPECTING AMENDMENT PROCEDURE

On the orders of the day:

Miss Judy V. LaMarsh (Niagara Falls): I should like to direct a question to the Minister of Justice. In view of the statement made by Mr. William F. Ryan, Q.C., president of the association of Canadian law teachers, appearing in the Montreal *Star* of September 26, criticizing the government's course in formulating proposals to amend the British North America Act, will the minister advise the house whether the government intends to provide an opportunity for public representations to be made on constitutional amendments before legislation is introduced?

Hon. E. D. Fulton (Minister of Justice): The future course in respect of this matter is as I outlined it in reply to a question by the hon. member for Laurier about 10 days ago. Perhaps I should emphasize one point. When the final draft, which is being worked on at the present time, is circulated to the attorneys general in the near future it is the intention

to make it public so there may be public information and discussion before legislative action is taken.

Miss LaMarsh: Is it the minister's intention to provide for public hearings at which representations may be made in a formal way prior to the introduction of such legislation?

Mr. Fulton: Mr. Speaker, no such decision has been made on that point.

ROYAL CANADIAN AIR FORCE

TORONTO—CRASH OF TRAINER AIRCRAFT

On the orders of the day:

Hon. Paul Hellyer (Trinity): Mr. Speaker, I should like to direct a question to the Minister of National Defence. Has the minister received any indication of the possible cause of the tragic crash of an R.C.A.F. trainer aircraft north of Toronto Monday night?

Hon. D. S. Harkness (Minister of National Defence): No, Mr. Speaker, I have not yet received a report of the investigation being carried on as to the cause of this tragic crash.

COMBINES

MEAT PACKING—RECOMMENDATION RESPECTING DISSOLVING OF MERGER

On the orders of the day:

Mr. Hazen Argue (Assiniboia): Mr. Speaker, I should like to direct a question to the Minister of Justice arising out of the livestock producers' concern that there shall not be a combine in the meat packing industry. Has the government come to a conclusion with regard to the recommendation by the restrictive trade practices commission that a court order should be sought to have a merger in the meat packing industry dissolved or to prevent further mergers taking place?

Hon. E. D. Fulton (Minister of Justice): Mr. Speaker, the government is in process of selecting counsel in that particular matter now. As soon as that has been done we will, of course, be discussing with counsel the appropriate course to be followed in the light of the report.

(Translation):

PUBLIC SERVICE

PAID HOLIDAYS FOR PART TIME EMPLOYEES

On the orders of the day:

Mr. Azellus Denis (St. Denis): Mr. Speaker, may I ask a question of the Secretary of State? Is he now in a position to report to the house on his work concerning the advisability of granting to part-time or seasonal government employees paid holidays as for permanent employees?

Hon. Noel Dorion (Secretary of State): Mr. Speaker, I think I shall be able to give an answer to the hon. member tomorrow.

(Text):

INQUIRY FOR RETURN

CABINET MINISTERS' TRAVELLING EXPENSES

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, may I also direct a question to the Secretary of State and ask whether he could give another interim report on his efforts to comply with the orders of the house made on November 30 last for returns respecting the travels of cabinet ministers?

(Translation):

Hon. Noel Dorion (Secretary of State): Mr. Speaker, I must repeat the answer I gave the hon. member for St. Denis. I am waiting until all the documents are gathered before tabling the information the hon. member is asking for.

(Text):

HEALTH AND WELFARE

INQUIRY AS TO STEPS TAKEN TO REDUCE STRONTIUM LEVELS

On the orders of the day:

Mr. P. B. Rynard (Simcoe East): Mr. Speaker, I should like to direct two questions to the Minister of National Health and Welfare. Are any steps being taken by the government to develop methods for combatting the level of strontium 90? I should also like to know whether there has been any progress in the removal of strontium 90 once it actually enters the body.

Hon. J. W. Monteith (Minister of National Health and Welfare): Mr. Speaker, I should like to thank the hon. member for giving me notice of these questions. I am pleased to be able to advise that a method is being developed which might prove useful in this connection. It is based on the work of Dr. B. B. Migicovsky of the Department of Agriculture, who has been concerned with the removal of strontium 90 from milk and other food products. I understand that he has been successful at the laboratory stage and that his methods are being tried out on a small production basis.

In answer to the second part of the hon. member's question, I understand that research is being carried out along these lines but has as yet produced little of practical value.

DOMINION-PROVINCIAL RELATIONS

AGREEMENTS RESPECTING TAX COLLECTION, ANNUAL GRANTS, ETC.

The house resumed from Tuesday, September 26, consideration of the motion of Mr. Fleming (Eglinton) for the second reading of Bill No. C-122, to authorize agreements respecting tax collection and annual grants.

(Translation):

Mr. J. N. Tremblay (Roberval): Mr. Speaker, I stated last night how astounded and how surprised I was to hear the Liberals proclaim their autonomist faith. We really know them too well to be misled about their sincerity and their sense of responsibility. They know all the arts of make-believe, that I grant; but they surely have exhausted all their acting tricks. Nothing doing now, the people know who they are.

They know that the Liberal party eagerly destroyed the country's constitution while protesting that they were respectful of principles and traditions. We only have to remember the risky initiative of university grants. It constitutes clear enough evidence.

What is happening nowadays? The Liberals are uselessly trying to restore their virginity because a former federalist and centralizer, Mr. Jean Lesage, has placed them in a strange and precarious situation by solemnly stating his deep respect for principles and realities which only yesterday he was despising and treading underfoot.

A frantic centralist in 1949, 1951 and 1954, Mr. Lesage would now be, in 1961, an out-and-out autonomist; and that, shamelessly and even without the elementary tactfulness it would be in order for him to show towards his former accomplices. Flinging his autonomy into their faces, he forgets that the Liberals in Ottawa used to be his friends and associates.

Walking in someone else's shoes, it will be recalled that Mr. Lesage came to Ottawa, in 1960, to bumptiously assert Quebec's rights. He is now opposed to university grants, after having had a hand in the legislation that has put them into effect. He now shamelessly contradicts himself, having finally realized that his own little salvation lies in his being able to show off as an autonomist. He does not care a bit about his associates. That is why they are now like tight-rope walkers. They said so many times that they were in favour of federal grants to universities that today they do not know how to reconcile their former creed with Mr. Lesage's new gospel. For there is no doubt that Liberal members in Ottawa do not share Mr. Lesage's thinking.

We only have to recall the various statements they made, one by one in turn, about university grants.

With your permission, Mr. Speaker, I should like to read into the record some of the statements I find in volume 3 of *Hansard* for 1960, in particular the following from the hon. member for Megantic (Mr. Roberge), on page 3315.

> I therefore think, Mr. Speaker, that I am entitled to express my humble opinion and to conclude that the central government, or rather the central parliament, has a perfect right to vote grants to the universities, without encroaching on provincial autonomy in the educational field.

Here is another statement, this one from the hon. member for Gatineau, which is found on page 3305 of the same volume of *Hansard:*

> I have always been in favour of university grants.

And now, Mr. Speaker, to add a pleasant aspect to a useful one, I shall quote the hon. member for Hull (Mr. Caron), whose remarks are found on page 2759 of the same volume of *Hansard*:

> Everybody knows that grants to universities are a Liberal achievement.
>
> It is a Liberal legislation we adopted at the time, that we are approving today, and that we shall continue to approve.

And he added:

> We feel that the federal government has not only the right, but the duty, to assist our institutions of higher learning.

As to the hon. member for Lapointe (Mr. Brassard), he made the following statement, which hon. members will find on page 3550, in the same volume:

> There is no possible doubt that the Liberal party was and still is in favour of assistance to universities.

Mr. Speaker, those people should therefore either remain centralists in Ottawa or become autonomists to please their allies in Quebec. In either case, they are inconsistent.

That explains their urge to find in other people instances of their own inconsistency. I shall immediately state, in order to reassure a tortured Liberal conscience, that the Conservative members from Quebec did not break the promise they made to their voters to defend autonomy and the rights of the province of Quebec in general.

Let us recall their stand on Bill C-56. At that time, they voted in favour of a bill which allowed the province of Quebec to pass its own tax legislation without its taxpayers being penalized. For my part, I said at the time that the solution contained in

the bill was of a temporary nature, that it was, after all, a formula of compromise, a fair compromise under the circumstances because it left the door open for a final settlement of the thorny problem created by the Liberal party, when it brought the central power into the forbidden field of education.

At that time I did not hesitate to vote with my party, not only for reasons of political solidarity, but in order to co-operate realistically, without any surrender of principle.

I have always thought, and I want to state it quite categorically, that the problem of the federal government interference in the field of education was not solved for all that. While I had, for the time being, to accept compromise formulas, I have never made a surrender of principles. I would remind those who are looking for inconsistency, of the philosophical notions of end and means.

In my opinion, all the solutions that have been suggested or adopted to this day in order to solve the problem of grants to universities have been and still are only more or less efficient means to reach the goal, that is the progressive but finally total withdrawal of the central government from this prohibited field of education at all levels.

I know that this is not easy and that this problem is closely related to that of tax sharing. Therefore, I appreciate the efforts of the Conservative government to give satisfaction on the one hand to the fierce autonomist demands of the province of Quebec and on the other hand, to the wish of the other provinces which did not understand readily what was at stake in the constitutional fight that Quebec fought alone, or almost alone, in spite of all opposition.

Again I say that the province of Quebec is not like the other provinces. Its characteristics, its stands come from its conception of confederation. One should not be surprised to find that, on certain constitutional matters, the stand taken by the province of Quebec is not the same as that of other provinces. The reason is that things are not yet seen in the same light everywhere and that we must proceed slowly and by steps with those who do not have the same reasons as we have to be autonomists.

This dissimilarity is but the expression of confederation itself, which is a system of compromises that worked unevenly, and it worked only because a lot of concessions were made, often at the expense, unfortunately, of the minority.

It seems that people are afraid to accept the facts and to admit obvious realities, especially this one: that the governments in Ottawa have always been obliged to seesaw.

The coming into power of the Conservative party in 1957 has not brought any change to this basic situation. Confederation remained what it was: a system of compromises the polishing of which is a slow, arduous and very painful process. Will it ever work easily and smoothly? Personally, I have my doubts. But I pay a tribute to the Conservative government which, having inherited a very bad situation, has tried, and successfully, to set things straight and to correct the errors of the past.

After all it cannot be expected to move faster than facts, circumstances and existing situations will allow. The press, which is usually not too friendly towards Conservatives in general, has given credit to the members from Quebec in that respect. It understood the difficult situation in which we find ourselves. But, despite certain appearances which can still lend themselves to confusion, people are beginning to realize that we have fulfilled our undertaking to correct the constitutional situation. We have initiated methods and ways of assertion which have been effective and which should progressively overcome the difficulties brought about by the Liberal regime.

I do not wish to evade the issue rising from the bill before us by confining myself to generalities. I feel this is a worth-while piece of legislation. I think it would be better still if the option clause had been kept in. I will not hold that against the Minister of Finance (Mr. Fleming) as long as he gives me the assurance that the government intends to continue its efforts in order to find a solution which will take into strict account the autonomist rights and demands of the province of Quebec. For we are not free to draw back. The problem of university grants has begun to be dealt with. The government should not, by shilly-shallying, lose the credit they have gained for themselves. Quebec members have no alternative. They need guarantees, while the government's action has only provided a deposit. But we want more than that. Looking at the facts I am led to believe that the government will not fail us, that they will not deceive us, that they will continue and complete the task.

I know the government is awaiting the Lesage proposals. But he is shy—he is hesitant now, after refusing the offers made by the Prime Minister (Mr. Diefenbaker). He seems to be frightened by the consequences of autonomy. In any case, he is in no hurry to grasp the fiscal benefits of these offers, for he would then have the trouble—and quite serious trouble under the circumstances —to say a few words about it to Quebec taxpayers. Moreover, when you see how eager his so-called autonomist government has been to accept the joint plans, after having denounced them in 1960, you no longer have any illusion about the sincerity of his autonomist convictions. His is an awkward task since he must reassure the electors of the province of Quebec, whose votes he obtained under false pretenses, and at the same time, he must prepare his reappearance on the federal scene besides his centralizing associates.

In my opinion, Mr. Speaker, the Quebec members have no choice, regardless of who they are. In his own way, every one of them must keep up the fight for autonomy which was led by Mr. Duplessis. We must admit that it has forced the central government to show a better frame of mind and that it has compelled a new concept of confederation. Indeed, Mr. Duplessis' autonomy was never negative or disguised. He often had to reject bluntly unacceptable proposals. On the other hand, he took the necessary steps.

Many try to minimize the importance of the role he played, to cut down his stature. That is why it is said that his fight for autonomy was inspired by petty considerations. Those people do not want to admit that he was the champion of our rights. He devoted his talents and his energy to the defence and preservation of the work of the fathers of the confederation.

We can rightly ask ourselves: What would have become of the Canadian confederation without him? During the tragic hours of the option, he fought alone and against everyone by refusing to comply with the entreaties of a central government which was anxious to take away from the provinces the rights and privileges they had acquired. He did so only to give his compatriots legal weapons to protect their national heritage. Instinctively, the people of our province understood the meaning of Maurice Duplessis' actions and remained true to him until the end.

Today, as the constitutional situation is becoming less entangled and the central power is led to reconsider sympathetically present and future problems caused by the province of Quebec to other parts of the country, decency requires that we recognize that such an improvement is but the result of the courageous stand taken by Mr. Duplessis, who showed himself capable placing our constitutional life back on its true course.

His stand brought the central government to repent. Solutions were tried, and then important reconquests were achieved, so that we can now say that he has restored confederation, opened avenues to new researches and shown the way that we think will lead to the political sovereignty of Quebec.

I close my remarks by saying that I have always felt that to work to this end was the responsibility of Quebec members in Ottawa.

(Text):

Mr. H. J. Robichaud (Gloucester): Mr. Speaker, the bill now under discussion is of major importance, not only because it concerns the economies of the ten provinces of Canada but because it also concerns the right of each province to participate equally in the progress and development of this country. It seems unfortunate that a measure of such importance is being discussed on the 173rd day of the present session and in what could be the dying moments not only of the present session but, according to rumours that are circulating, of Canada's twenty fourth parliament.

While speaking in the debate last evening the hon. member for Westmorland made certain remarks which I believe should be answered. First he accused the premier of New Brunswick of suggesting that the other three Atlantic provinces are not poor provinces and that New Brunswick is the only poor province in eastern Canada. I want to say that at no time has the premier of New Brunswick suggested that New Brunswick is the only poor province in eastern Canada. What the New Brunswick premier has done is to bring to the attention of the general public the discrepancy existing in the criteria used under these new arrangements for the distribution of federal grants, which arrangements result in discrimination against the province of New Brunswick.

The hon. member for Westmorland went further and said that the present government of New Brunswick is trying to get sufficient additional money from Ottawa to carry out in full its election promises of 1960. The fact is that the present government of New Brunswick has done more for that province in the first 15 months of its administration than the previous government of the province was able to promise in its eight years in office.

An hon. Member: How absurd can you get?

Mr. Robichaud: The hon. member took serious exception to the objections raised by the premier of New Brunswick and stated that these objections, to use his own words,

were hardly warranted. The position of the province of New Brunswick in so far as this legislation is concerned was made quite clear in a press release issued by the premier of New Brunswick on Monday of this week. I have here a copy of the premier's statement and I wish to place on record some parts of the statement and comment on others. The release issued by the premier of New Brunswick is in part as follows:

> The Prime Minister has recently replied to my letter of July 19, 1961, in which I requested, on behalf of the government of New Brunswick, that a further federal-provincial conference be held to discuss the arrangements to prevail after March 31, 1962. This reply, which has been publicized widely, ignores our request for further discussions, points to our ignorance of the "generous concessions" offered by the federal government, but generally fails to provide any answers to the questions which have been raised, both by letter and in discussion.
>
> For example, we expressed, along with all provinces, very great concern about the lack of flexibility permitted the provinces under the proposed tax collection agreements. The Prime Minister has replied that the new arrangements will permit the provinces—

And this point should be noted, Mr. Speaker,

> —"to cultivate the tax fields in the way each province deems fit."
>
> The Prime Minister has made this statement several times, and to this extent I, like him, am reminded of the aptness of a statement made by an ancient public figure, "When I've said it three times, you can consider it the truth".

As further stated in the New Brunswick premier's statement, the facts are that all the provinces have been informed by Ottawa that they are not free to use their own definition of income. The provinces cannot determine the rates of progression; they can take advantage of only those exemptions allowed by the federal government. With regard to the corporation profits tax, should any province or its municipalities impose a non-income tax contrary to federal regulations, there will be a corresponding deduction from the federal payments to the province. I ask the Minister of Finance this question: Is that the way in which to cultivate the tax fields as each province deems fit?

What are the so-called federal concessions? They have already been described as being two in number, and both concessions are very minor. One of these concessions allows the federal government to share substantially the burden of logging taxes imposed by the provinces of British Columbia and Ontario. Of this concession the other eight provinces cannot take advantage. The second concession is to continue the sharing of certain public utility taxes. Such a concession, says the New Brunswick premier, is beneficial only to those provinces which possess private electric power generating companies.

During the past few months we all know that a great deal has been said about the proposed new arrangements which are before this house for approval, and specifically with regard to their financial effect on various provincial governments. It will be recalled that in his report to the legislature the premier of New Brunswick indicated that the new formula would provide some $600,000 more than the present formula if it were projected to the first year of the new agreement. Since then a number of statements have been made throughout the province of New Brunswick and published in the press to the effect that New Brunswick would receive approximately $2 million to $3 million in extra revenue in the first year of the new agreement, that is to say for the year 1962-63.

I note that the Minister of Forestry is in his seat listening to my remarks. I have here a press clipping from the Fredericton *Gleaner* under date of September 1, 1961. The heading of this article is "Federal Tax-Rental Scheme Said Not Discriminatory" and it reads as follows:

> Federal forestry minister Hugh John Flemming, speaking at a rally of Progressive Conservative supporters in Victoria-Carleton last night, attacked Premier Robichaud's stand that the federal government's tax rental scheme is discriminatory to New Brunswick.

Then in quotation marks appear the minister's own words:

> "Those who say that the tax rental deal is discriminatory to New Brunswick are simply not acquainting you with the facts," he said. "New Brunswick will get $2 million more under the new deal with Ottawa.
>
> "In addition, the Atlantic provinces premiers at Halifax had the responsibility of distributing the Atlantic provinces adjustment grants, which were increased from $25 million a year to $35 million a year, or 40 per cent.

I now wish to place on record figures which will clarify such statements once and for all. The figures I am going to quote assume a constant rate of growth in tax yields under each formula so as to make them comparable, and there can be no question that even the federal government and even the Minister of Finance will agree as to the validity of the projections.

The following figures are based on the revenue projections for 1962-63. Under the standard tax yield, New Brunswick under the present formula should receive $9,727,000. Under the proposed formula New Brunswick, again under the standard tax yield, would receive $10,295,000 or a gain of $568,000. But under the equalization payments, under the present formula, New Brunswick will receive $18,484,000 as against $15,698,000 under this proposed formula or a decrease of $2,786,000. Therefore in total, under the present formula New Brunswick would receive $28,211,000

while under the proposed formula it will receive $25,993,000, or a total loss of $2,218,000.

To this it is true—and I wish to be fair—we have to add the Atlantic provinces adjustment grant. Under the present formula the adjustment grant which New Brunswick is to receive will amount to $7,500,000, for a grand total of $35,711,000. Under the proposed formula New Brunswick will receive $10,500,000 in adjustment grants for a grand total of $36,493,000. Therefore, Mr. Speaker, under the proposed formula the net gain to the province of New Brunswick is not $2 million or $3 million in the first year of the application of this act, but is in the vicinity of $782,000.

These figures clearly show the financial impact of each of the three components of the new arrangements as they will apply during the year 1962-63. They also show the reasons, as stated by the premier of New Brunswick, for New Brunswick's objection that such a formula will not make the best contribution to the public interest of that province.

If we consider the standard tax yield the new formula provides, as I have just stated, an additional $568,000 or an increase of nearly 6 per cent over the present formula. However, in order to achieve this result, the present personal income tax percentage accruing to the province will have been increased from 13 per cent to 16 per cent, which means an increase of over 23 per cent in total amount. The same tax increase in Ontario, for example, would raise their revenue by over 14 per cent, or more than twice the rate of 6 per cent allowed to New Brunswick.

This indicates why New Brunswick has stressed the fact that increased emphasis on the yields from the standard taxes discriminates against the poorer provinces with lower tax yields. If we take into consideration the equalization payments under the present formula, the low tax yields of the standard taxes are to a great extent offset by equalization payments which increase in proportion to the increase in the tax yields of the two wealthiest provinces in Canada, namely British Columbia and Ontario. By reducing this growth factor to the national average and by introducing natural resource revenue the new formula produces a decrease in equalization payments, as I stated earlier, of $2,786 million, and reduces the growth potential. Therefore the premier of New Brunswick was right in saying:

> This latter statement is axiomatic since it is impossible for this type of "average" to grow as fast as the highest numbers which are included in it.

What are the bases for the new formula which will be applied following the passing of this bill? The federal government is taking into consideration the natural resource revenue by provinces, and according to figures produced by the dominion bureau of statistics, the revenue for the province of New Brunswick, if the average is taken for the years 1956 to 1958, amounts to $3,978,000, or $7.03 per capita. If the same figures are used for the province of Ontario they amount to $31,381,000, or an average of $5.59 per capita.

Therefore under these new criteria New Brunswick is being looked upon as a province having exceptional revenue from its natural resources, but the fact is that no consideration is being given to the cost to the taxpayers of the province of New Brunswick to maintain and protect those natural resources. This is where there is discrimination.

As the premier of New Brunswick said in his statement, in total the standard taxes, together with the equalization payments, fall short by $2,218,000 of the level that would be achieved under a continuation of the present agreement. It is to cover this shortage that an additional $10 million in grants was awarded to the Atlantic provinces, from which New Brunswick will receive $3 million as its share. Instead of the guarantee, New Brunswick's share of the Atlantic provinces adjustment grants will be increased by $3 million, which will be incorporated into the basis for calculating the equalization payments to the Atlantic provinces.

The province of New Brunswick is objecting strongly to this treatment of what was intended as a special and separate payment to the Atlantic region. At the federal-provincial conference and also in letters to the Prime Minister, New Brunswick proposed that the Atlantic provinces adjustment grants be kept out of equalization and that the normal guarantee be applied. It is clear that New Brunswick does not receive the full benefit of the increase, since the bulk of it is used to offset the losses resulting from lower equalization payments.

In these objections New Brunswick has been strongly supported by every province in Canada with the exception of Ontario. The representatives of the other provinces made a point of supporting New Brunswick.

Mr. Fleming (Eglinton): That is not true.

Mr. Robichaud: Some of them have indicated their support in letters addressed to the Prime Minister which have been made public. In replying to the letter from the premier of New Brunswick with respect to this point, the Prime Minister said only that the Atlantic provinces adjustment grant is separate and "is in no way connected with the basic equalization formula".

I ask how can this be the case when one considers the figures I have quoted and the fact that subclause 4 of clause 4 of this bill, No. C-122, cited as the federal-provincial fiscal arrangements act, specifically says that the Atlantic provinces adjustment grants shall be included in determining the tax equalization payment to be paid to a province. There is no question but that the adjustment grant is included, and even less question about the fact that it should not be.

The additional amount provided in this bill is certainly inconsistent with the fiscal requirements of the province of New Brunswick, however measured. Even within the Atlantic region itself there seems to be little relationship between revenue increases and the fiscal needs of each of the Atlantic provinces. I am quoting these figures to give facts, not to complain. I am not complaining about the way the provinces of Newfoundland, Nova Scotia or Prince Edward Island would be treated; I am merely giving facts. Based on similar calculations Newfoundland will receive additional revenue, excluding the special grant of $8 million which they have a right to receive according to the constitution, to the extent of $5.10 per capita; Prince Edward Island, $9.31, and Nova Scotia $2.89. I ask, how do these amounts, particularly the $1.25 for New Brunswick compare with an increase of $2.95 per capita for the province of Ontario, the wealthiest province in Canada?

Hon. members on the government side will say there is no discrimination in the treatment being given to the province of New Brunswick. It is true that the Prime Minister has expressed the hope that upon consideration New Brunswick will recognize "the financial benefits of the new arrangements and the greater freedom and flexibility which they afford". After long consideration with many others no such recognition has resulted, and the premier of New Brunswick was right to make this abundantly clear to the federal government and to the people of New Brunswick. The government of New Brunswick has every right to feel that this new arrangement being forced upon the province is a poor deal for the province of New Brunswick, a poor deal for the government of the province and a poor deal for its people, as well as for the other less wealthy provinces. The provinces are being given no alternative. They must now levy their own taxes upon personal and corporation income, and the result will be to the full advantage of those provinces where the great corporations are located and where personal incomes are at the highest levels. The basis of equalization has been thrown out the window, notwithstanding the Prime Minister's solemn promise to the contrary.

The inclusion of the natural resources income factor will definitely work to the disadvantage of New Brunswick, and as a result of the introduction of this new natural resource basis New Brunswick will receive an additional $1.25 per capita as against additional revenue of $2.95 for the wealthy province of Ontario. Is Ontario in more urgent need of financial consideration than New Brunswick? The facts are that notwithstanding the objections of the premier of New Brunswick, and notwithstanding the serious objections of the seven other premiers who have expressed dissatisfaction with the offer, the provinces have been told by the Prime Minister and by the Minister of Finance, "Take it or leave it".

Mr. Fleming (Eglinton): That is untrue.

Mr. Robichaud: I hear the Minister of Finance say "That is untrue". Those are the facts. When Premier Robichaud and Premier Lesage asked that the conference be reconvened so they could come back to Ottawa and discuss these problems further, they received a definite refusal from the Prime Minister. For these reasons, as a member from the province of New Brunswick, under no consideration can I support such a bill as this, and I will vote against it on second reading.

Hon. H. J. Flemming (Minister of Forestry): It had not been my purpose to take part in this discussion, at least to any great extent, and I should not intervene now were it not for the remarks which have just been made by the hon. member for Gloucester, especially in connection with the special consideration which I feel has been given to the province of New Brunswick and which he, for some purpose, seems disposed to minimize.

Before continuing along that line, however, I should like to say that I listened carefully and with a great deal of interest, as I usually do, to the hon. member for Bonavista-Twillingate. I found myself in agreement with him in one particular. I would be the first person to admit that as far as the Atlantic provinces are concerned, without the special adjustment grant of $35 million a case might be made that the eastern provinces had a real grievance. In my opinion, however, that provision completely refutes the speech which was made just now by the hon. member for Gloucester, and I think it refutes to a great extent the assertions made yesterday by the hon. member for Bonavista-Twillingate on the question of equalization.

With regard to the adjustment of all provinces to the level of the national average, I acknowledge frankly that I took part in some

conferences in which we brought to the attention of the government, as it was constituted in those days, our feeling that the Atlantic provinces for one reason or another, partly for geographical reasons and partly because of certain commitments made at the time of confederation, should receive special consideration, and that attention should also be paid to the fact that the average national income was considerably higher than the average income in the maritime provinces. At no time did we suggest that attention should be paid by the federal authority to the adjustment of the eastern provinces' income to the level of that of the wealthiest provinces. Our comparison, generally speaking, was made with respect to the national average. I feel that the government today are perfectly justified in taking the national average as the level upon which to base their grants. It seems to me that the special consideration which has been given in that regard is a proper consideration, and I am satisfied to defend that position at any time.

We come now to the provision for stabilization, which I trust will never have to be used. I may say that the previous administration did suggest at one of the conferences, I believe it was in 1955 or 1956, that the stabilization feature should be incorporated, or in other words that a province should be protected against a drastic decline in the gross national income as reflected in returns to the central government. It would seem to me that this is a protective feature in so far as the eastern provinces are concerned, and I was very happy when it was decided that this would be the basis on which the new agreements would be drawn up.

In presenting this bill to the house on July 11 the Minister of Finance produced tables indicating the effect of the proposed agreements. I submit that great satisfaction was expressed by some premiers after the conference of last autumn. I suggest that the premier of Newfoundland was very well satisfied. I suggest that he was very happy. I do not know how the hon. member for Bonavista-Twillingate is going to justify the statements he made yesterday when he meets the premier of Newfoundland in Newfoundland. I found it difficult to reconcile the attitude he took here yesterday with the attitude he should have as the representative of the people of Bonavista-Twillingate. I say this because the hon. member on many occasions has called attention in his own inimitable fashion to the needs of the fishermen in his own riding.

The hon. member also gave credit to the government for the construction of wharves to facilitate the shipment of pulpwood. All these things indicated to me that the hon. member for Bonavista-Twillingate was sincere in his approach, and I had no reason to think otherwise until yesterday. I received a terrific shock when the hon. gentleman addressed us yesterday. I thought he of all hon. members would say that this was about the best thing the government had done for a long time, that this was one of the few things on which he could agree with the government. Instead of that we found the hon. gentleman criticizing the government and saying at the conclusion of his remarks that he found it impossible to support this bill.

The Acting Speaker (Mr. Chown): Order. It being one o'clock I do now leave the chair.

Mr. Pickersgill: Before you do so, sir, I wonder whether I might have unanimous consent to ask a purely factual question of the Minister of Finance, which I think might facilitate the debate. The minister will recall that it has been suggested several times that we would like to see a projection over the five year period of the new scheme and the existing law. If the minister could have that available for the committee—at least a few copies so that hon. members could have them for consultation—I am sure it would save us a great deal of time in our deliberations in committee.

At one o'clock the committee took recess.

AFTER RECESS

The house resumed at 2.30 p.m.

Mr. Flemming (Royal): Mr. Speaker, when the house rose for lunch I was discussing in a complimentary way the speech of the hon. member for Bonavista-Twillingate yesterday and making some observations concerning the inconsistency of the position which I considered he occupied as reflected by some of his remarks made at that time. I might properly be requested to document to some extent those assertions; therefore I ask the house to refer to page 7916 of *Hansard* and to the figures appearing on that page with reference to the amounts of grants, unconditional and conditional, which have been received by the province of Newfoundland since 1956. I find a great difference since the present government assumed office, and that is the reason I give vent to my sense of disappointment in the observations of the hon. gentleman yesterday. I find that the unconditional grants for the year ended March 31, 1957 were something of the order of $17.8 million. The next year

they were $19,244,000; but in 1958-59 they immediately rose to $40,847,000.

Mr. Pickersgill: Will the hon. gentleman permit a question at that point?

Mr. Flemming (Royal): Yes, indeed.

Mr. Pickersgill: I am sure the hon. gentleman is adding in his figures the $8 million which Newfoundland receives as a constitutional right and which has no business to be in those calculations at all.

Mr. Flemming (Royal): My answer to that is that I am simply reading the figures as reflected on that page. If my hon. friend disputes the figures, then he will have to have his quarrel with the Minister of Finance.

Mr. Pickersgill: It is an old quarrel.

Mr. Flemming (Royal): I am quoting the figures of the Minister of Finance which I believe are entirely accurate.

I go on to the next year, 1959-60, and I find that the unconditional grants went down to $37,263,000. The next year they were $37,658,000, and the following year, which is the current year, $38,032,000.

I agree that there may be some explanation of this large increase, but nevertheless it seems to me it is hardly fitting and proper that the government, under whose administration the province, of which the hon. member represents an important constituency, received more than twice as much money as it did under the administration of which he was a member, should be portrayed as public enemy No. 1 in that province.

With respect to the Atlantic provinces adjustment grant, perhaps some hon. members will recall that during one of the debates last winter when a motion of lack of confidence was moved by the opposition in connection with federal-provincial relations I made some rather extended remarks concerning my own association with governments, the present government and the previous government, with respect to representations made at conferences of which I was a member of a delegation from New Brunswick. I quoted my own remarks on many occasions and I also said that at the conclusion of each conference prior to June 10, 1957, all we received from the old administration was careful attention, some courtesy and no money. Now, Mr. Speaker, we could not finance on courtesy. It was impossible, and I speak now in order that I may make myself perfectly understood. I am referring now to financial recognition of the special situation in the east and not to any moneys that might be due to us as part of the regular uniform grants.

Mr. Pickersgill: I was going to say it is quite a difference.

Mr. Flemming (Royal): We could not make a dent in the administration of those days and I have no way of knowing whether the hon. member for Gloucester (Mr. Robichaud) or the hon. member for Bonavista-Twillingate said anything to help their native provinces at that time, but if they did, then their words fell on deaf ears because no attention was paid to them.

Mr. Fleming (Eglinton): On the ears of Bonavista-Twillingate also.

Mr. Flemming (Royal): But on June 10, 1957, a new dispensation was ushered in in Canada as far as the Atlantic provinces were concerned. There is no question about that. Under that new dispensation, early in 1958 or possibly in the fall of 1957 a good deal of legislation was introduced in the House of Commons. I will not go into that legislation in detail because I do not need to do so but I do say that it was designed to be, and was, of tremendous benefit to the eastern provinces. There was the Beechwood loan. We had not been able to get the former government even to lend us the money at the prevailing rate of interest. That was put through by the new administration at an interest rate of 3⅞ per cent. The money is now being paid back by the province and will be paid back.

Mr. Robichaud: In eight years.

Mr. Flemming (Royal): In eight years, yes. What is wrong with eight years? We could not get anything from the administration supported by the hon. member for Gloucester (Mr. Robichaud). He says eight years—

Mr. Robichaud: Will the minister permit a question?

Mr. Flemming (Royal): Of course.

Mr. Robichaud: Is the minister aware that the province is having to borrow money at 6 per cent in order to repay this loan because the term was too short?

Mr. Flemming (Royal): Mr. Speaker, I am sure the house is not interested in our entering into a debate on New Brunswick problems, but may I say for the benefit of the house that the New Brunswick power commission considered that eight years would be sufficient to earn nearly 50 per cent of the money required to pay the whole loan, and in my opinion that is a tremendous thing.

We have the Atlantic provinces adjustment grants which were initiated with the advent of the administration of which I now have the honour to be a member. I said last winter and I repeat that, so far as the Atlantic provinces are concerned, June 10, 1957, is a more important date than the date of confederation in 1867 because it was by reason

of the legislation introduced by the present government that the people of the Atlantic provinces first got a glimmer of light, a glimmer of hope for the future.

I should like to refer to a statement made by the hon. member for Bonavista-Twillingate (Mr. Pickersgill) in concluding his remarks. I have a note of it here. I hope I have it right because it was my intention to have it right. He said, "I cannot possibly support the measure".

Mr. Pickersgill: That is right.

Mr. Flemming (Royal): That is what causes me a great deal of disappointment. I hope that his colleagues from Newfoundland will not be influenced by him to vote against the bill. To me that will be a terrible tragedy.

This morning we listened to some remarks by the hon. member for Gloucester in the course of which he referred to the situation in New Brunswick and New Brunswick's share of the moneys to be received under the bill now under consideration. To begin with, I can only repeat that many of the things I have said in connection with Newfoundland apply equally to New Brunswick. I do say, however, that I cannot fancy the hon. member for Gloucester in the federal election which is to come finding too much fault with a government which brought into being the special adjustment grants for four years under which the Atlantic provinces received $100 million and which under this legislation is asking the House of Commons for authority to pay another $175 million over the next five years or a total of $275 million over a nine-year period. I cannot imagine him asking the people of his constituency to vote against a government under which the people of the Atlantic provinces will receive $275 million over a nine-year period when those same people could not get one bit of recognition from the government which he supported previous to 1957.

That is the question which I think he has to ask himself. I give him full marks for being interested in his native province. So am I. But I do not give him any credit for some of the things which he said from his place this morning. Quite the opposite. Some of the things which the hon. member said, particularly with respect to the previous administration in the province of New Brunswick, possibly were uncalled for but that makes no particular difference to me. However, when he says, and expresses it as his opinion, that the present administration in the province of New Brunswick has done more in 15 months than the previous government did in eight years, then in my opinion he is expressing a politically partisan opinion which is properly attributable only to the backwoods of Gloucester county and not to a member of parliament.

Mr. Robichaud: The facts are there.

Mr. Flemming (Royal): He has every right to his opinions but he should not voice them as a member of parliament in this chamber because they are not correct. May I say to you, Mr. Speaker, that many people in New Brunswick consider that the main activity of the present government has been to cut the ribbons on projects started by the previous administration. That is what most people think. The hon. member cannot name one project that they started and completed, not one. He laughs, but he cannot name one. I challenge him.

Mr. Chevrier: That sounds like the Prime Minister's speech.

Mr. Robichaud: What happened in New Brunswick in June, 1960?

Mr. Flemming (Royal): I am not talking about June, 1960. If the people of New Brunswick made a mistake in June, 1960, we are not going to hold it against them forever. Why should we?

Mr. Pickersgill: Just for five years.

Mr. Flemming (Royal): May I say to the hon. member that in my opinion the majority of the people of New Brunswick think today that they made a mistake in June, 1960. There is no question about that.

Mr. Pickersgill: Would the hon. gentleman permit me to ask him a question?

Mr. Flemming (Royal): Of course.

Mr. Pickersgill: The hon. gentleman said that he would not hold it against the people of New Brunswick forever. Does he mean that this five year sentence is a long enough one?

Mr. Flemming (Royal): You mean the five year sentence they have under the present government in that province.

Mr. Pickersgill: The five year sentence under this new bill.

Mr. Fleming (Eglinton): Your speech yesterday was a long enough sentence.

Mr. Flemming (Royal): The five year sentence they have had imposed on them by reason of the present provincial government in that province is a long enough one. I would say to members of the opposition and the Liberal party in general that they should avoid mentioning the words "dominion-provincial relations" as though they were the plague because their party will not get any benefit from talking about them. They say

they are going to vote against the bill and that is quite all right but they will not be able to live it down as far as the eastern part of the country is concerned.

The hon. member for Gloucester also quoted from some remarks I made which were reported in the *Gleaner* and in which I said the province would receive $2 million more than it is now receiving. That is what I said. I have here the estimates of the province of New Brunswick passed at last winter's session and applying to the fiscal year ending on March 31 next. Here are the amounts for which they have budgeted. With respect to revenue under the federal-provincial agreement the amount is $26,548,000. Then there is $7½ million under the Atlantic provinces grants. The total of these two figures is $34 million odd. I should like the hon. member for Gloucester to keep that figure of $34 million in mind for a moment, so I would ask him to turn to page 7927 of *Hansard*. The amount that it is contemplated the province of New Brunswick will receive in the first year of the new agreement, as listed on that page I have mentioned, is $36,265,000.

Mr. Robichaud: Will the minister permit a question?

Mr. Flemming (Royal): Yes.

Mr. Robichaud: Is that difference of $2 million due to the new formula? Is the minister not aware that every year the amounts payable to the province, even under the old formula, were increasing?

Mr. Flemming (Royal): Mr. Speaker, I said nothing about formulas. In the course of my public remarks I said that the province of New Brunswick would receive $2 million more the first year of the new agreement than it is receiving in the last year of the old agreement. Those are the facts and figures I have just quoted and I have the documentary proof here. The hon. member starts out to say that now he wants to clarify this matter. No clarification is needed. We just examine the record. I gave the record. That is the amount. Those are the places where the figures are found. Those are the figures which I quoted in the course of a public address in New Brunswick which was referred to by the hon. member for Gloucester. Hon. members can judge for themselves who is trying to deceive whom.

It is not my intention, Mr. Speaker, to speak at any greater length at this time. There are many things I should like to speak about in connection with this bill, as it is an extremely important one. It is most important because, as I have just said, it contemplates the payment of $175 million by way of special adjustment grants for the Atlantic provinces for a five year period. To me that is an extremely important feature of it. I try to reconcile my duties as a member of the central government with my loyalties to the province that I have the honour to represent. In the course of that reconciliation or attempted reconciliation I have not the slightest hesitation in saying to this house that I am prepared to defend at any time and in any place this agreement that is now before us for consideration. I think it takes into consideration all of the needs, angles and situations which apply to all parts of this great country of ours.

Having said that, having mentioned that we are protected by equalization grants and that we are protected by stabilization grants, and that all the protection that small provinces and poorer provinces, if you like, need are embodied in the bill—all of these things and many others too that I will not mention at this time make me feel that as a group of men and women inerested in the progress of this great country of ours we should vote unanimously for the bill. There should not be any division on it whatsoever.

Mr. J. Edgar Fournier (Restigouche-Madawaska): Mr. Speaker, I should like at this moment to make possibly the shortest speech in my life. I should just like to refer to two things that were mentioned this morning.

(Translation):

Mr. Speaker, since Bill C-122 was introduced in the house, I listened closely and with pleasure to the arguments set forth in the hon. members' speeches. It is most obvious that our friends in the opposition are embarrassed by this bill. The howling we have heard from that side until now, clearly indicates their despair.

I know it is most humiliating for our friends in the opposition to see the government take steps which will be beneficial to the provinces of the dominion, which steps the central administration cruelly refused to take for such a long time.

Mr. Speaker, as I said a while ago, I shall only take a few minutes of the house's time.

First of all, I should like to draw the house's attention to the insult cast on Acadians and French Canadians, before recess, by the hon. member for Gloucester (Mr. Robichaud) who claims to be the champion of the Acadian faith, and who is the idol of New Brunswick's French newspapers, *l'Evangéline* and *Le Madawaska*.

I hope it was through nervousness that the hon. member for Gloucester did not deliver a single part of his speech in his own language, French. I hope that is only an oversight and not indifference and that, in future, he will practise what he preaches either through conviction or hypocrisy.

(Text):

Mr. Speaker, what I want to mention here in a few words—

Mr. Denis: In French, please.

Mr. Fournier: The hon. member understands very well. This morning, Mr. Speaker, the hon. member for Gloucester said that the Robichaud government has done more in 15 months than the Conservative government did in the last eight years in which I was a member. I want to straighten out the record in this house. That was a true statement. I agree with it. The only difference is that he did more but in the wrong direction. I wish to point out what he has done and I will take only half a minute. First he increased the provincial debt from $83 million to $103 million. He has borrowed $35 million. He has cut the public works program almost to nothing. He has reduced many public services.

Mr. Speaker: Order. I think the hon. member should remember that we are dealing with federal-provincial fiscal relations and it is only the acts of that government to which he is now referring which have a bearing on this bill which should occupy the time of the house.

Mr. Fournier: Thank you, Mr. Speaker. I am just trying to keep the record straight. I hope at some other time to have a chance to come back to this matter.

Mr. Fleming (Eglinton): On the point of order you raised, Mr. Speaker, may I respectfully draw your attention to the fact that what the hon. member for Restigouche-Madawaska is now proposing to do is to put on record an answer to an assertion made this morning by the hon. member for Gloucester on this precise point. He is not proposing to go beyond the statement which was made this morning and with which he is now taking issue. He has indicated that he proposes to be quite brief in doing so. As we are dealing here with the subject of dominion-provincial fiscal relations, I would respectfully submit that the point is quite relevant to the debate now in progress.

Mr. Robichaud: I wish to speak on the point of order, Mr. Speaker, as my name has been mentioned and as the hon. member for Restigouche-Madawaska is referring to a statement which I made this morning. May I say that the statement I made in the course of my remarks this morning was in answer to remarks made last evening by the hon. member for Westmorland (Mr. Creaghan) when he said that the government of the province of New Brunswick was trying to get more money from the federal government in order to keep its election promises.

Mr. Pickersgill: I wonder whether I might say a word on the point of order, Mr. Speaker, as it is a very unusual intervention that has been made by the Minister of Finance. We have had many occasions on which the Minister of Finance has sought to maintain the narrowest limits of debate.

Mr. Martin (Essex East): He does it all the time.

Mr. Pickersgill: However, this is the first occasion in my recollection on which he has taken the view that something which was totally irrelevant was relevant. I hope the same rule that is going to be applied, will be applied to both sides.

Mr. Bell (Carleton): Mr. Speaker is on his feet.

Mr. Pickersgill: So am I.

Mr. Speaker: As the hon. member for Gloucester has just said, one thing leads to another. It is quite true that in debate it is relevant to answer arguments that have been admitted as relevant. In so far as the hon. member for Restigouche-Madawaska was replying to the hon. member for Gloucester I did not intervene. But on the point or the illustration on which he was embarking, he could go very far afield. I do not wish to proscribe the hon. member from talking about anything that relates to federal-provincial financial arrangements, but there are many things which the province of New Brunswick does in the course of its administration which have no relation to this bill. It was just a caution in that respect which I wanted the hon. member to have in mind as he proceeded.

Mr. Fournier: Thank you, Mr. Speaker. However, I was at the end of my remarks. I am very pleased to see that I have touched my opponents in a very sore spot, because they do not seem to be able to accept it when I give the facts. There are many things which they have done in the wrong way and in the wrong direction. I hope that in time I will have a chance to express my feelings on these matters and come back to this subject.

(Translation):

Mr. Robert Lafreniere (Quebec-Montmorency): Mr. Speaker, I do not intend to deal with all the points relating to Bill C-122. However, there is a problem which is of particular interest to me and on which I had the opportunity, in April 1959, to voice my opinions in this house. As you must have already guessed, it is obviously the problem of university grants and the general problem of education.

In April 1959, when a discussion took place on this subject, several members had put forward their views in the house and each

one had expressed his satisfaction to see that the government was proposing a new formula to let the provinces collect 1 per cent of the taxable income of corporations and to allocate those revenues to the universities themselves. Amendment 9A had been included in Bill C-56; but now, in Bill C-122, this necessary formula completely disappears.

In 1959, when we supported this agreement, which I had said was not perfect but acceptable, we had the impression of taking one more step to consolidate with section 93, which places education under the exclusive jurisdiction of legislative assemblies.

Without repeating the speech I then had the pleasure to make, I should like to recall to the house that I firmly believe that education is exclusively the responsibility of the provinces up to university level, if not beyond that.

I very much regret that Bill C-122 does away with the agreement which we had found satisfactory in April, 1959.

However, I hope the hon. Minister of Finance (Mr. Fleming) will make definite plans on this education problem concerning the whole nation, which problem comes under the exclusive jurisdiction of the provinces. It might be necessary in cases of emergency to set up national organizations subsidized by the central government, but that day has not come yet and I am still of the opinion that we should do everything possible to leave to the provinces their exclusive jurisdiction in the field of education.

Consequently, Mr. Speaker, I must state quite frankly that I am displeased to see us abandon the formula we had accepted in April, 1959 and I say again that being aware of the broadmindedness and the sense of justice that have always animated the Prime Minister and the Minister of Finance, I hope that they have definite agreements in mind, so that we may revert to the full observance of the confederative pact.

(Text):

Mr. Hazen Argue (Assiniboia): Mr. Speaker, we are opposing this bill and voting against it because we think it is a retrograde step and moves Canada's federal-provincial relations away from some very valuable and important principles that had been established over the years.

It has been recognized by successive governments in Canada in recent years that in order to provide for the general prosperity and welfare of the nation; in order to provide greater equality of services to Canadian citizens within the various provinces, it was necessary for the government to give leadership in bringing about federal-provincial agreements and arrangements that would stabilize the economy, that would provide certain additional revenues to the so-called "have not" provinces and would give the federal government greater opportunity to deal with fiscal measures in such a way as to mitigate widespread unemployment and provide for the general prosperity and expansion of the Canadian economy.

While we in this party have always supported the federal-provincial agreements of the past, we have not hesitated to point out weaknesses that existed and improvements that could be made. We feel that the old agreement was lacking in that it set as the standard for equalization the income from the taxes within the two provinces with the highest incomes, rather than taking the highest income. We think it would have been preferable to attempt to provide the citizens in each province with the services that would flow from the use of revenue in the province where there was the highest income.

Instead there is a retrograde step in this bill before us when it provides that we shall go from a standard of the average within the two highest provinces to the national average. This is a general downgrading of the whole concept of equalization. We think this measure is inferior to the existing system because it is forcing the provinces to go back into the income tax field themselves. This will mean an increase in the variations of income and corporation taxes as between the provinces. This is a return to the tax jungle of bygone days. Also, at least to some extent it does lessen the general effect of federal measures, certainly in the reduction of income tax, to stimulate purchasing power and employment by making certain through this particular measure that provinces have every opportunity, not having signed tax agreements on the original basis, of moving in and taking up, by increasing their own income taxes, any reduction that might have taken place in federal income taxes. This is a backward step, this is retrograde step, this is a piecemeal deal. It is neither fish nor fowl. It does not satisfy the aspirations of the people of any province but it appears to be designed to help, at least in some measure, those governments which are sympathetic to the present administration.

Mr. Pickersgill: Except Manitoba.

Mr. Argue: Except Manitoba, and I suppose Manitoba happens to be caught up with the province of Quebec and the province of

Saskatchewan, so it is just a victim of circumstances. I am sure if the Prime Minister (Mr. Diefenbaker) could have found any formula to add to the formulae which are already in this bill, that would have been done, but it must have posed a problem which could not have been solved.

Over the years in this house the Prime Minister has been a very staunch advocate of measures to help the municipalities and to help the provinces discharge their responsibilities. This is not a measure which will help the provinces to discharge their financial responsibilities. It is not a measure which will assist the provinces to pass on, in turn, aid to the municipalities within their jurisdiction so that the municipalities can discharge the functions for which they are responsible. I listened with interest to the Minister of Forestry (Mr. Flemming). He made a very spirited defence of the government but I was amazed that he should go along with this downgrading of the equalization principle from the level of the two highest provinces to the national level. His excuse for this seemed to be that there were additional grants going to the Atlantic provinces. That may be the excuse with respect to the Atlantic provinces but it is of no value as applied to the other provinces which are not eligible for those grants, though, of course, we all felt that something should be undertaken to overcome some of the disadvantages felt by the Atlantic provinces.

Ontario gains a little by this arrangement. Some of the Atlantic provinces stand to gain a little. But there is a group of provinces which stand not to gain at all. I refer to the four western provinces and, of course, to the province of Quebec. The Prime Minister has complained bitterly in this house over the years—and some of us have helped him—about the unjust deal given by the former administration to the prairie provinces, as well as to other provinces, of this nation. What is in this deal for Saskatchewan? What is in this deal for Manitoba? I ask the Prime Minister where, in this measure, the province of Saskatchewan has a chance to overcome some of the disadvantages imposed on it under the former agreement about which he complained so much? In a speech in the 1957 election campaign, the Prime Minister had this to say:

> We believe there can be no national unity in this nation until there is a realization that the federal-provincial matters have handcuffed the provinces of this nation; have denied the municipalities adequate sources of revenue; have placed the provinces and the municipalities in a position where they cannot discharge their constitutional responsibilities or permitting the necessary development in their own territorial confines of the natural resources that there are.

[Mr. Argue.]

Where the provinces have been developing their own natural resources, the income obtained will be used to weight the advantage from this legislation against them. Look at the table on page 7927 of *Hansard*. Learn from that table, placed there by the Minister of Finance, what some of the provinces stand to gain. The provinces I have been speaking about have nothing to gain. The province of Saskatchewan has co-operated with this federal government and with other federal governments in joint projects of benefit to the people of the province and to the people of this nation. No difficulties that I know about have arisen with regard to relations between the federal government and the government of Saskatchewan. I am not saying there has been trouble about relations with other provinces. But why should the people of Saskatchewan be discriminated against in this measure when the Prime Minister complained so bitterly in the past that a raw deal had been given to that province by the former Liberal administration? Yet the best he can do for Saskatchewan in this bill is to say:

> In addition, two equalization guarantees are provided. First, for provinces below the national average in the yield of standard taxes and 50 per cent of natural resource revenue, the equalization will never be less than enough to make them at least as well off as they would have been under a projection of the present arrangements.

What a wonderful deal for Saskatchewan for this government. In effect, the Prime Minister says: Don't worry, you are all right; you are not going to be any worse off than you were under the Liberals. And he thinks this a reason why people in Saskatchewan should stand up and cheer.

Mr. Jones: Thirty three million dollars in 1956 and $70 million in 1960. Laugh that one off, my friends.

Mr. Argue: There has been no change, according to the statement made by the Minister of Finance (Mr. Fleming). The only change the government has made in the last few months is to deny the farmers of the three prairie provinces the $40 million they used to get.

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

Mr. Argue: In this legislation the government is saying: We shall not do anything more for the people of Saskatchewan, for the people of Manitoba or for the people of Quebec.

Mr. Jones: I wonder if the hon. member would permit a question?

Mr. Argue: The hon. member for Saskatoon can make his statement when I have concluded.

Mr. Jones: I am asking a question: what is this $40 million?

Mr. Argue: The $40 million is the money the farmers did not get this year on an acreage payment we have been asking about for weeks—

Mr. Jones: You said it was peanuts.

Mr. Argue: The Prime Minister giggles. Even peanuts have their place.

Mr. Jones: You said you were opposed to that.

Mr. Argue: That is not true. That is a false statement. That statement is completely false and inaccurate.

Mr. Jones: Mr. Speaker—

Mr. Speaker: Order. The hon. member for Saskatoon may have the floor later if he desires. If he asks any more questions he will not have the right to speak as he will already have spoken.

Mr. Argue: It might be the intention of the hon. member for Saskatoon to speak later but I do not think he is going to make a speech. I wish he would. I wish he would stand up and defend a bill which gives the same deal to the people of Saskatchewan as they have had in the past.

Mr. Speaker, the people of Saskatchewan do not want to stay where they are. They want to go forward. They do not like to be condemned as they are under this legislation to the same kind of deal in the next five years as they have had in recent years.

We do not know when the election is going to be, but this will be an election issue. It will be an election issue and we shall take this election issue to the people of Saskatchewan to demonstrate that this government has overlooked them, forgotten about them, and that when the Prime Minister, in all those campaign speeches of his in years gone by, was advocating a new deal in federal-provincial fiscal arrangements he meant a new deal for some and the same old deal for others.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I would not have the house believe that I rise because of the vociferous ejaculations of the hon. member for Assiniboia (Mr. Argue). I do not rise for that purpose although he has touched upon a number of matters with which I shall deal. I intend to say something about Saskatchewan. I observed that the hon. member said Saskatchewan does not wish to stand still. I could not be more in agreement with that for under the rule of the C.C.F. in that province—and I use a name that is now an anathema in this house; it is now to become the New Democratic party—extending over a period of 17 years, the province of Saskatchewan has witnessed under socialism a decline in population, compared with the population growth of other provinces in western Canada whose governments follow the principles of free enterprise.

The hon. member asked what Saskatchewan has received and then he indicated that he rose to give support to the need this year of a $40 million payment for the farmers.

Mr. Argue: Oh, much more than that. That is not nearly enough.

Mr. Diefenbaker: The hon. member has been strangely silent in the last couple of months within his own group.

Mr. Argue: That is not true.

Mr. Diefenbaker: The hon. gentleman was not listened to within his own group with that degree of attention we accord him in the house.

Mr. Argue: Pretty cheap.

Mr. Diefenbaker: Did I say something the hon. gentleman did not like?

The hon. gentleman pointed out that something should be done for the farmers of western Canada. This government provided $40 million over a two year period. This is the hon. gentleman who said it was peanuts. This is the hon. gentleman who criticized the government for the assistance it gave to western farmers assistance that has been of benefit to every small farmer in that part of the country. It may not have helped the big farmers like the hon. gentleman who farms on a large scale in terms of acreage.

Mr. Argue: Mr. Speaker, I rise on a question of privilege.

Mr. Speaker: Order. The hon. gentleman is seeking the floor for the purpose of raising a question of privilege.

Mr. Argue: The Prime Minister has referferred to the size of the farm I operate, describing it as a large farm.

Mr. Matthews: Like the hon. member's head.

Mr. Argue: The Prime Minister is wrong again.

Mr. Speaker: There is no question of privilege there. Whether the farm is large or small does not give rise to a question of privilege. There may be an explanation which could be offered if the hon. member has been misinterpreted or if something has been

said which reflects on him, in which case I shall give him an opportunity at the conclusion of the remarks of the present speaker to offer his explanation.

Mr. Diefenbaker: Mr. Speaker, I am not going to argue with the hon. gentleman. I mentioned that he operated a large farm in terms of acreage. But if the hon. gentleman is a small farmer then surely he benefited. That is the point I am making. Apparently, having benefited, the hon. gentleman in retrospect over the last couple of years has some reason to question the accuracy of his designation of this assistance as "peanuts". The small farmers were able to benefit, and if he qualified to receive assistance perhaps he found it advantageous because he has asked once more that the government give assistance.

Mr. Argue: That is pretty cheap stuff from a prime minister.

Mr. Ricard: He is dealing with the hon. member for Assiniboia.

Mr. Pickersgill: What has this to do with the bill?

Mr. Ricard: The proper time to raise these questions is when the hon. member who has the floor has completed his speech.

Mr. Pickersgill: Mr. Speaker, I rise on a point of order. We are supposed to be debating a bill concerning the federal-provincial tax-sharing arrangements. It does not seem to me that the size of the farm of the hon. member for Assiniboia bears much relationship to the legislation before the house. It seems to me that the leader of the house should set an example to the house by obeying the rules.

Mr. Diefenbaker: Mr. Speaker, I shall be dealing with the hon. member for Bonavista-Twillingate in the course of my remarks. Perhaps I might be permitted to make a reference to him immediately. I am awaiting publication of that portion of the history of the life of Mr. Mackenzie King from the year 1925 forward in which period the right hon. gentleman used an expression with which the hon. member for Bonavista-Twillingate as not yet seen fit to deal, except in a general way yesterday when he stated that the policy of this government was to act in a manner detrimental to the welfare of the provinces where the governments were of a political faith different from the federal government. Let me tell the hon. gentleman that the days of the "five cent" speech are over, and as far as this government is concerned all provincial governments will receive equal consideration regardless of their political stripe.

[Mr. Speaker.]

Mr. Pickersgill: We shall see about that.

Mr. Diefenbaker: I can understand the hon. member for Assiniboia becoming aroused. He loves to make speeches concerning what this government has not done for Saskatchewan. Let me remind him that the assistance given in connection with the South Saskatchewan dam is a tremendous advance of public money for the benefit of the people of the province of Saskatchewan and I have yet to hear one word of commendation or approval of that action from the lips of the hon. gentleman.

Mr. Argue: Wrong again.

Mr. Diefenbaker: In my opinion conduct of that type merits the designation "cheap".

Mr. Argue: Mr. Speaker, I rise on a point of order. I do not think it is in order for the Prime Minister to disregard the record of the House of Commons and misinterpret the position I have taken in this house over the years without my being given an opportunity to reply at the time to the misleading statement made. I say to the Prime Minister that my record of support for that project in this house is clear. I have commended this government and the government of Saskatchewan for having jointly undertaken this project.

Mr. Speaker: Order. The hon. member is rising to make a personal explanation as he did before. Unless the hon. member who has the floor yields it, that is more conveniently done at the end of the remarks of the speaker.

Mr. Diefenbaker: I am glad to have from the hon. member that commendation of what this government has done by way of assistance to Saskatchewan. Anything of that kind was strangely wanting a few moments ago when the hon. gentleman said that Saskatchewan had been discriminated against.

Mr. Argue: Under these agreements.

Mr. Diefenbaker: Would the hon. member maintain the type of silence he has shown in recent months except for those frequent occasions when he has sought to interrupt for the purpose of making self-exculpatory statements which commonly have no basis in fact.

Mr. Pickersgill: The Prime Minister seems overwrought.

Mr. Diefenbaker: Mr. Speaker, I shall return to the hon. member for Bonavista-Twillingate in due course and accord his remarks the attention they deserve.

Mr. Pickersgill: Mr. Speaker, I wonder whether I could make a request of the Prime Minister.

Mr. Speaker: Order. The hon. member is not entitled to interrupt unless the hon. gentleman who has the floor yields it.

Mr. Pickersgill: Mr. Speaker, I am sure the Prime Minister would wish me to make this interruption. I wished to say to the Prime Minister that I regret very much that at ten minutes to four I have to leave the chamber because of a long-standing engagement and if he could make the remarks about me while I am still here I would be awfully grateful.

Mr. Diefenbaker: Mr. Speaker, I have at all times followed that practice and the hon. member has been very proper in his observance of it too, although there are some hon. gentleman who sit not too far from him who do not follow that course. If perchance we are going to lose the benefit of the hon. gentleman's presence at ten minutes to four, some of the comments I wished to make in their proper order may have to remain unsaid until another occasion.

Mr. Pickersgill: I do not mind if they are said in my absence.

Mr. Diefenbaker: Apparently an attempt is being made through these frequent interruptions to prevent me from saying a number of things I should like to say. As I stated earlier, I did not rise because of the effusions of the hon. member for Assiniboia but I thought some slight reference might be made to his contribution and apparently I made pertinent references because they aroused the hon. gentleman.

I return now to deal in general with the bill before the house and to speak briefly to emphasize certain major points. I shall not recapitulate the history. An explanation of the various items and also of the course followed by the government in this connection was given by the Minister of Finance (Mr. Fleming) in the month of July. Taken together with the publication of the correspondence on this subject, which has been appended to *Hansard*, and the numerous tables that have been furnished, the Minister of Finance has set forth the whole situation regarding the government's proposals so that they could be understood and judged.

I want to say at once that the purposes of the changes made were to restore once more to the Canadian people the institution upon which confederation is built; in other words, to restore the basic principles of the British North America Act and to assure that the days of centralization in Canada are over. Hon. gentlemen opposite, those who still remain on the front bench, and the governments of their day took under the provisions of the War Measures Act and the powers having to do with war, rights belonging to the provinces that were outside of the field of dominion-provincial relations. What they did in this connection was similar to their conduct of invading provincial rights on every possible occasion during the days of war and immediately thereafter. We have decided that the time has come, as I said in 1957, to restore the spirit of the constitution and to return to the provinces their freedom and responsibilities with respect to the imposition of direct taxation on income.

The hon. member for Assiniboia objects strenuously. Those were the happy days, Mr. Speaker.

Mr. Benidickson: Hear, hear.

Mr. Diefenbaker: If the hon. member will wait until the conclusion of the sentence I will wait for the applause at that stage. Those were the days when provinces like Saskatchewan could secure necessary funds from the federal government by having the federal government impose the taxation and accept the responsibility for it so far as the people of the several provinces and of Canada were concerned. I can understand why the hon. member for Assiniboia is disturbed. From now on when the government of Saskatchewan wants to impose taxation it will impose its taxation within the limitations of this legislation instead of leaving it to the federal government to impose taxation, pay it over and then allow the responsibility and condemnation for taxation and deficits to rest upon the federal government. We are going to restore as far as it is possible the inherent principles of the constitution.

Mr. Pickersgill: There were no deficits in our day.

Mr. Diefenbaker: I thought the hon. gentleman said he had only 10 minutes. Would he allow me to proceed? We are going to restore to the provinces as far as possible their constitutional rights and their responsiblities.

Mr. Pickersgill: Which they have always had.

Mr. Diefenbaker: Mr. Speaker, the hon. gentleman can favour us with his presence for only 10 minutes but he keeps up a persistent line of low voiced interruption. He says they have always had that.

Mr. Pickersgill: Of course they have.

Mr. Diefenbaker: Nothing of the kind. From the day the tax rentals began the provinces were not in that position excepting as they might choose to impose what in effect would be double taxation. There is going to be no harm to the provinces in this.

Mr. Pickersgill: They are forced to do it now.

Mr. Diefenbaker: Is there nothing that can quiet the ebullient individual?

Mr. Speaker: The Prime Minister has asked for that to which he is entitled. I trust hon. members will act accordingly.

Mr. Pickersgill: As a matter of fact, I really feel, sir, that I owe the Prime Minister an apology and I willingly give it to him.

Mr. Diefenbaker: We have restored the inherent principles of the constitution, and this is something we undertook to do. We are ending centralization. We are putting in its place co-operation within the principles of the constitution. This bill represents not merely certain grants to the provinces, or the sharing of tax revenue. It follows in consequence of a series of dominion-provincial conferences; it follows long deliberation and a spirit of give-and-take on the part of both.

We had a number of those conferences. The question was raised whether or not, if the provinces imposed their taxation, there would not be too great an administrative responsibility and cost. We undertook to collect the taxation for the provinces if they chose, and to do so without appreciable cost to them. What we have endeavoured to do in this measure is, I think, tangible evidence of the aspirations of a growing Canada and of the inevitable competition which that brings about between the two levels of government in the use of the basic sources of revenue which are common to them. It reflects, as I see it, the efforts at co-operation between these two levels of government.

I reiterate that we are endeavouring to apply the spirit of confederation, with the sharing of responsibilities and concern for the service and the betterment of the lot of all Canadians wherever they live in this land.

I enunciated our views in this regard at the dominion-provincial conference of 1957, when I said at page 9 of the proceedings:

> We believe that this federation cannot thrive in a climate of glaring disparities in levels and standards of service and development as between the several provinces from Newfoundland to British Columbia. Believing in a positive policy, this government intends in co-operation with the provinces to co-operate actively in promoting the development of Canada and all its regions.

This we have carried out by our system of assistance to the provinces under the roads to resources program. This is an example of co-operation to the end that the federal government will assist the provinces and the provinces will co-operate with the federal government in the development of those areas which otherwise would not have been developed for years. I continue:

> It is our opinion that positive government is necessary both at the dominion and provincial levels in assuring national development and we are prepared to assist provinces in carrying out their functions where we agree that is necessary and when parliament approves. We are prepared to consider on their merits major projects which will contribute to national development and which are beyond the capacities of any of the provinces.

The example I gave earlier was one of those, the South Saskatchewan dam and others that I mentioned yesterday that I will not repeat now. I went on to say:

> In that connection I might refer to three examples. In pursuance of that general plan we have announced a program in respect of power in the maritime provinces. In the speech from the throne reference was made to this government's willingness to recommend to parliament participation with the government of British Columbia in a joint program for the development of the immense potential of the Columbia river.

We do note that the co-operation is not as complete as I would like to see it.

Then I went on to mention the South Saskatchewan dam. I proceeded to outline the general principles in which we believe and the necessity of raising standards in all parts of Canada. I mentioned particularly the Atlantic provinces. When I hear the hon. member for Bonavista-Twillingate (Mr. Pickersgill), the expatriate from Manitoba and now the proponent of everything for Newfoundland, it surprises me that all during the years that he had this affection he did nothing to bring about anything equivalent to the Atlantic provinces grants to which the Minister of Forestry (Mr. Flemming) referred a moment ago. These are the steps that we have taken to elevate standards. I said at that time, as found on page 12:

> I believe that we all recognize ... that the Atlantic provinces as a group are confronted with greater difficulties in public finance than the rest of the nation, if they are to maintain the sort of provincial and municipal services that Canadians generally expect. The taxable capacity of the Atlantic provinces, even in the best of times, is significantly lower than that of the other provinces.

Then I said later:

> Recognizing these principles, we are prepared to examine their application and to that end I invite the expression of your views.

In other words, throughout, there was a desire and a declaration in favour of bringing about something that is now being achieved under the policies of the government—the equalization of opportunity in the various parts of Canada and the raising of levels in provinces which did not enjoy the same economic development and present potential as some of the other provinces.

The bill reflects the efforts at co-operation, as I said, in the spirit of confederation. The

fiscal arrangements emphasize the government's desire to make clear both the rights and obligations of all levels of government in Canada as well as to provide through equalization a system of redistributing the fruits of our production on a more equitable basis than would otherwise result.

I am going to refer to the tables to which reference has already been made in order to answer the statement of the hon. member for Assiniboia (Mr. Argue) to the effect that what is being done does not improve the situation of the past and does not carry out the promises of 1957. The statistics answer such loud-spoken statements which are not based on fact and are not borne out by the evidence. I believe that the pattern of the past 15 or 20 years must give way to the requirements of the present. Restore the constitution. Is there any offence in doing that? Are we to alter the provisions of the basic principles of confederation through the medium of tax agreements and the like? Are we to evade those things in the constitution that have been acceptable since 1867? Are we to bring about changes? I agree that changes in the constitution may be necessary, outside of those things that are basic and are constitutional rights possessed thereunder by the province of Quebec and minorities in general which cannot be attacked in any way.

We have endeavoured to bring about a change in the constitution or at least a basis for a change. We have endeavoured over and over again through meetings to ascertain whether it would not be possible, as it should be, to amend Canada's constitution in Canada instead of having to go abroad to the parliament at Westminster. The Minister of Justice (Mr. Fulton) has done a great deal in this connection. I would point out that, if I understand the record correctly, the one province that stands in the way of this in very considerable measure is the province of Saskatchewan, the leadership of which during the years has spoken of the necessity of having our constitution amendable in Canada. Yet when we are in a position where most if not all of the provinces, I think, are willing to agree, it is the government of the province of Saskatchewan that stands against the fair and reasonable right of amendment as agreed to generally by the other provinces.

I believe there is need for a revised approach to the asumption of responsibilities while maintaining the constitutional distinctions. We want to give the provinces every right to carry out their constitutional responsibilities. It has been nice for some of them to be able to come to the federal government and say, "Give me, give me", while at the same time criticizing the federal government for increased expenditures, and that is particularly the case with regard to expenditures by this government which have been brought about in order to improve the position of the provinces.

It was with these realities and this desire in mind that I proposed to the dominion-provincial conference that the federal government restore to the provinces the freedom to impose and collect taxes on personal and corporate incomes. In order to do this and yet retain the economy and simplicity of a single collecting agency and uniformity in the manner of determining the tax, the bill proposes to authorize the government to undertake on behalf of the provinces the collection of these taxes on personal and corporate incomes provided the tax base in each case is identical with the federal definition. In designing these tax collection agreements, freedom for the provinces to vary their rate of taxation was a prime objective. This freedom provides them with the flexibility to adjust their revenues from year to year in accordance with their needs, and also underlines their independence and direct responsibility.

There has been a great deal said about the promises made by this government. *Maclean's* magazine has never shown itself to be one of our inveterate friends. Yet I read in the issue of September 23 these words by one of its commentators which I am prepared to accept:

> Out of 62 specific pledges made by the Prime Minister during the 1957 and 1958 campaigns, 50 have already been kept or are in process of being discharged.

Some hon. Members: Oh, oh.

Mr. Benidickson: Through royal commissions.

Mr. Diefenbaker: I have again struck home, Mr. Speaker. I deeply regret the necessity of the departure of the hon. gentleman because he always attends the house with regularity. I know that we do not have to miss him for long because the house is about to prorogue, and I will desist from any personal references to him until he again graces the chamber.

Mr. Pickersgill: I thank the Prime Minister. My regret is far greater than his.

Mr. Diefenbaker: The second point to be noted in regard to the new fiscal arrangements authorized in the bill is that they retain the vital principle of equalization. Over and over again I have referred to the question of equalization and the necessity of its preservation. I endorsed the principle of equalization.

Mr. Martin (Essex East): The Minister of Finance (Mr. Fleming) did not until forced to do so.

Mr. Diefenbaker: Mr. Speaker, I have to repeat that. I have endorsed the principle of equalization at all times, as has the Minister of Finance.

Mr. Fleming (Eglinton): And carried it farther than ever before.

Mr. Diefenbaker: And, as the hon. gentleman says, with modesty, "carried it farther than ever before". We preserve the principle. We altered the form in order to ensure that the principle would be more generally effective and would carry out the intention of equalization. The principle was a valuable one. The question of its retention was never in doubt for throughout I have consistently stated that it was basic. Although differences have existed and are bound to exist in the methods or formulas by which the principle is to be applied, the purpose or spirit of the principle is not now and has not at any time been in issue. I have made it clear that the principle of equalization is basic. Because a certain formula was evolved some years ago by the former government we do not believe, Mr. Speaker, that such formula is, like the law of the Medes and the Persians, unchangeable. We believe that changes must be made in order to secure its full power and effectiveness, and those changes we have made. In these arrangements we are proposing a revised application of the principle that lays more emphasis upon fiscal need and takes into consideration the prolific revenue derived by some provinces from natural resources as well as the fields of direct tax revenues which have been taken into account previously.

We consider that the present system, based on the three standard tax rates and equalization to the average of the two top provinces, is neither logical nor practical. In some cases it has led to larger payments than could be justified on the basis of fiscal need. It ignored an important source of provincial revenue from national resources. It aimed at an impractical goal in seeking to equalize all to the exceptional top provinces. On the other hand—and I come back to this matter and I will come back to it from time to time—it did not give the needs of the Atlantic provinces in particular sufficient recognition. As the Minister of Forestry (Mr. Flemming) pointed out, this was basic to the promises and undertakings of this government. This government, from the very beginning, had a special concern for the fiscal needs of all provinces and, because of the situation in the Atlantic provinces, a special concern for them. We introduced the adjustment grants during the first year of office. It was the federal government that brought this matter before the conference of 1957. In the current proposal these grants will be increased by 40 per cent. The grants of 1957, which we undertook and brought before parliament and which were passed, are being increased by 40 per cent as part of the broad program. The effect is illustrated in the table by the Minister of Finance on page 7927 of *Hansard* to which reference has been repeatedly made.

One or two hon. members have played over the same old gramophone record, the same speeches they gave in July last. They gave expression to the same ideas about inadequacy, saying that this government had done nothing to carry out its promises in this connection. I would have thought that the tables themselves would have been sufficient to answer this argument but apparently it is necessary to repeat them. As a whole—and it is always well to take the picture of Canada as a whole—the unconditional grants in Canada in 1956-57 amounted to—and I am speaking always in round numbers—$552 million. I make allowance for the fact that changes were made in the parliament of 1957, as the hon. member for Kenora-Rainy River (Mr. Benidickson) indicates, in the manual manner. The amount in 1957-58 was $658 million. They say we have done nothing for the provinces. May I say that the amount in 1960-61 was $841 million and the amount for 1961-62 is $875 million.

If you take into consideration the figures for 1956-57, there will be some who will argue that changes were made by the previous government. But taking the figures at their worst in 1957-58, the result is that there has been an increase of unconditional grants to the provinces of $200 million. When I hear the expressions of some hon. members to the effect that we have done nothing to assist the provinces and to make it possible for the provinces to give greater assistance to the municipalities, may I say the answer is there in the computations as to unconditional grants.

What about conditional grants? As to conditional grants there was no legislative change that I know of in the session of 1957. Therefore we take the figures for 1956-57. In that year there was paid to the provinces in conditional grants an amount of $110 million. The amount in 1960-61 was $430 million, an increase of $320 million. In 1961-62 the amount will be $550 million or, since this government came into power, an increase in assistance to the provinces in the way of conditional grants of $440 million.

Mr. Benidickson: Who introduced hospital insurance?

Mr. Diefenbaker: That is exactly five times the amount that was paid in the last year of office of the Liberal government. This seems to be part of the pattern. They go around and

they say things like this: "There has been no assistance given to the provinces" because they exchange their prejudices and they think they are thinking. They exchange ideas which they must know are not in accordance with the facts for the purpose of bringing condemnation on a government which has multiplied by far, so far as these grants are concerned, the amounts paid in the last years of the Liberal administration.

Mr. Benidickson: Hospital insurance is overlooked.

Mr. Diefenbaker: One hon. gentleman mentioned hospital insurance. Yes, it is true that the Liberals brought it in but we pay for it. There is no doubt about that fact and it has to be included in that amount.

Now for the payments to provincial institutions. The amount payable to provincial institutions in 1956-57, for university grants and grants to municipalities in lieu of taxes on federal property in 1956-57, was $25 million. In 1960-61, it was $43 million and for 1961-62 it will be $44 million. Again there is a tremendous increase.

In the face of these tremendous increases these hon. gentlemen opposite, by simply repeating statements which they must know are not borne out by the facts, believe that the Canadian people can be fooled into believing that we have not improved the position of the provinces very greatly since 1957.

I am not going to go over all of the provinces but I must mention Newfoundland even in the absence of the hon. member, although there are others who have a representative position here from that province and therefore it will permit me to refer to it. Newfoundland, which was spoken of in lachrymose tones by an hon. gentleman now not with us, in 1956-57 received $17 million, in 1957-58 received $19 million and in 1961-62 the estimate is $38 million. Those amounts are in connection with unconditional grants. In conditional grants it received $6,500,000 in 1956-57 and the amount for 1961-62 is $23 million. He said, "Well, we have not got anything. We have not received that consideration which we should have received". I simply point out those facts, Mr. Speaker. In addition to that, there are payments for the benefit of provincial institutions. These were $415,000 in 1956-57 and today the estimate is $780,000. So I could go on through the record.

I now come to the province of New Brunswick, to which some reference was made. However, I do not think I have to cover the figures there because they were dealt with amply and carefully by the Minister of Foresty (Mr. Flemming).

Then I come to the province of Saskatchewan. After all, I could not but be touched by the words of the hon. member for Assiniboia. He spoke with everything but authority.

An hon. Member: How true.

Mr. Diefenbaker: He said this is how serious the situation was. I have his exact words here. He said, "This is a retrograde step, a backward step and it is most unfair to the province of Saskatchewan."

Mr. Argue: Hear, hear.

Mr. Diefenbaker: Let me read the record. Unconditional grants for 1956-57 were $29½ million; for 1957-58, $35 million; for 1960-61, $42 million; and approximately the same for the present year. Conditional grants were $7,700,000 in 1956-57, and in 1961-62 they are $27 million. I do not understand the mentality of anyone who, knowing those figures, would make the type of suggestion that the hon. member made here today, that Saskatchewan for some reason was being penalized and we had done nothing to improve the situation of Saskatchewan since 1957 over what had been the prevailing condition during the years prior to 1957. In the field of payments for the benefit of provincial institutions the figure was $1,165,000 in 1956-57, and in 1961-62 it is a total of $2,140,000. I place those figures on the record simply for the purpose of having objective consideration given to the rather—and I understate the situation when I say this—distorted view given by the hon. gentleman.

There was another province that was being discriminated against, as I remember. I have dealt with Newfoundland; New Brunswick was dealt with by the Minister of Forestry and I have covered Saskatchewan. Then Alberta and British Columbia were mentioned. As far as Alberta is concerned, the total amount of unconditional grants, conditional grants and payments for the benefit of provincial institutions amounted in 1956-57 to $49 million; in 1957-58 it amounted to $62 million, and in 1961-62 the figure is $103 million.

Mr. Benidickson: How much under the new agreement?

Mr. Diefenbaker: I find it difficult to understand that the hon. gentlemen would make these kind of loose, idle and disorderly statements. Certainly they are vagrant observations which have no foundation in fact.

Now we come to British Columbia. I think it was the hon. member for Burnaby-Coquitlam (Mr. Regier), the financial man, who dealt with this during the month of July.

He spoke, too, of how British Columbia was another of these forgotten provinces. The total amount paid to British Columbia in 1956-57 in unconditional grants, conditional grants and payments for the benefit of provincial institutions was $77 million; for 1961-62 the figure is $150 million.

These are the increases that have taken place during a period of four years. I think they emphasize that this government has carried out its promise to give the provinces a new deal; to give to the provinces moneys which they in turn may pass on in whole or in part to the municipalities. We have made that very clear.

Besides this type of thing there are the other plans that we have announced and which are in effect. There is the assistance to technical education. That is something that affects every part of this country. This is a tremendous benefit. The Minister of Labour (Mr. Starr) brought this measure into being whereby we give to the provinces 75 per cent of the costs of building technical schools and providing the equipment.

These hon. gentlemen say there has not been a new deal. Well, Mr. Speaker, I will be glad to hear them argue that question any time when the opportunity is at hand and I will give even greater detail than I have given up to now. This table shows strikingly how the total of the grants to the provinces under these new arrangements and the revenues they can procure by utilizing the room to be left to them under the new plan—I refer to the table at page 7927 of *Hansard*—exceed very substantially the benefits they would have secured under a continuation of the position under the 1957 act before the amendments this government put forward. Moreover, in addition to the improvement reflected in this table for the year 1962-63, there will be further improvement in the following years due to the increasing federal withdrawal from the individual income tax field.

Mr. Speaker, there are other matters that I thought I might put before the house, but I will leave them to the Minister of Finance (Mr. Fleming) to deal with. I did feel, however, that I had a responsibility simply to place the record before the house; not the expurgated record, not the self interpreted record, but the facts. On the basis of facts and on that record I think all of us have reason to agree with the summary made by the Minister of Forestry, with provincial experience behind him, that this government has indeed been serious, and more than serious, has been effective in raising the standards of the provinces, and in the years ahead under the new plan as I understand it, no province will receive less than it is receiving today.

[Mr. Diefenbaker.]

Does not this reveal the actual facts of what we have done? There are some who believe that because this rental plan was evolved in the fertile mind of one who is not now with us—at least he has been given the honour of having produced it—that therefore it should be unchanged. The changes that have been made hurt no one. The changes that have been made will actually assure to each of the provinces at least the amount they are receiving today; that amount, as I have shown, being tremendously greater—two, three, four, five times greater—than the amounts that were being paid to the provinces either conditionally or unconditionally in 1957.

On examination it will be seen that the total of federal contributions to the provinces, certain payments to institutions normally the responsibility of the provincial governments and tax abatements made to facilitate the raising of provincial revenues, has risen—and I summarize—from $689 million in the fiscal year 1956-57 to an estimated $1,470 million for the current fiscal year. This is a prodigious increase in the amounts granted from the federal budget to the provincial budgets of this nation. It is not going to be lower under the new plan. Had it not been for the change of government, where would the Atlantic provinces have been? Where would have been several provinces which have received assistance to provide for policies of expansion and development? Where would they be in reference to the development of power in the maritimes, the potential power and irrigation in the province of Saskatchewan and the possibilities of the province of British Columbia, if agreement can be secured, as apparently it had been verbally secured prior to the signing of the Columbia treaty in 1961? These increases, as I have pointed out, have been related to a much better assessment of the fiscal needs of the provinces than ever before as well as to the needs and desires of the Canadian people for various worth-while services in respect to which payments and grants have been made to provincial institutions.

I shall not try to describe the variety and scope of this program, ranging as it does from such small but important items as assistance toward the construction of fishing vessels, which has recently been substantially improved, to such huge programs as those for hospital and diagnostic services. All these programs, as well as the fiscal arrangements themselves, are designed to assist all the provinces in providing for their citizens the best services and facilities which Canada can afford and the Canadian people will support.

I think that no one who is fair minded, no one who is not blinded by party prejudice or

local considerations, can fail to appreciate that the burden on the federal treasury has been very heavy indeed as a consequence of these programs to assist the provinces. When people speak about deficits, due regard should be paid to the increases which have been made in other fields, realizing that those deficits have in large, in overwhelming measure, been the result of the fact that for too long the people have waited for action. They demanded that there should be action and we have tried to carry out that action to a degree which, I think, the Canadian people will appreciate. The Canadian people, whenever the opportunity comes will not, I am sure, listen to the whiners and the wailers but will realize that here has been solid achievement on behalf of all Canadians.

I believe that this bill, which provides for a considerable increase in the provincial sharing of the personal income tax in addition to an improved equalization formula and increased Atlantic provinces adjustment grants, constitutes a generous arrangement with the provincial governments.

An hon. Member: They want more.

Mr. Diefenbaker: Somebody said "They want more". I can understand that, Mr. Speaker. Did you ever know of anyone to whom something had been given who did not want more? That is human nature. When the opposition was in power, the provinces said they were not getting enough. We increased the amount, two, three, four times, five times. And, naturally, they said: Don't we get more than this?

Mr. Martin (Essex East): Mr. Frost, particularly, complains about this government.

Mr. Diefenbaker: So far as Mr. Frost is concerned, I am glad to see some recognition today. That is the Liberal way—always to recognize ability when a person is about to give up office. Those were not the hon. gentleman's words a year or two ago; but reformation, however late it comes, always means forgiveness.

The proposed agreements to collect taxes for the provinces without charge, thereby safeguarding the simplicity and uniformity of our tax system means that greater freedom will be left to the provinces to set their own rates of taxes. I am sure this is something which serves the interests and convenience of the taxpayers. I am confident that the new arrangements will make it possible to meet the problems of disparity in provincial revenues more fairly and realistically than in the past. Greater recognition has been given to the persistent fiscal disabilities of the Atlantic provinces. The preservation and extension of the fundamental principles of freedom for provinces to tax as they see fit, of equalization based on broader determination of fiscal need and the fuller recognition of fiscal disabilities peculiar to the large eastern segment of Canada will contribute to the financial strength and independence of the provinces and to equality of opportunity for Canadians throughout Canada. It will lead to a restoration of the constitution to its basic concept, to the maintenance of provincial rights; to the assurance, by federal aid, that those who live in provinces which are underprivileged economically by comparison with others will have their standards raised. It is in the spirit of fair and equal treatment, within the framework of our constitution, that this bill has been presented, and I hope it will receive the support of the house.

Hon. Lionel Chevrier (Laurier): This debate began very quietly with the Minister of Finance (Mr. Fleming) saying very little, contrary to his habit in the house. I understand that he had made a long trip, and perhaps that had something to do with his reticence in the house when this matter came before us.

However, during the course of the afternoon the debate seems to have warmed up, particularly since the Minister of Forestry (Mr. Flemming) and then, later, the Prime Minister (Mr. Diefenbaker) decided to enter the discussion. The hon. member for Royal objected to a statement made by the hon. member for Gloucester (Mr. Robichaud) to the effect that the Robichaud government had done more in 15 months than the former provincial administration had done in eight years. I do not know whether that is the case or not, because I am not familiar with New Brunswick politics, but I do know that if this was the language used by the hon. member for Gloucester he was using precisely the kind of language which the Prime Minister and his followers use consistently when they say that in the last three or four years they have done more than was done by the previous administration in 22 years.

The hon. member went on to say that in New Brunswick, now, they are cutting the ribbons in connection with projects started by the former administration. Well, for the last four years that is all hon. gentlemen on the other side of the house have been doing. They have been cutting the ribbons of a multifarious number of projects started by the former administration and, very often, they have not even had the courtesy to invite those who had something to do with those projects—

An hon. Member: The public paid for them.

Mr. Speaker: Order. I thought the house had composed itself with its usual courtesy to listen to argument. I hope it will not depart from that attitude.

Mr. Chevrier: But when he started his remarks this afternoon I felt, rightly or wrongly, that he was not abiding by the rules so far as references to personalities are concerned. I shall certainly try to keep away from any such references whether they be to the hon. member for Assiniboia (Mr. Argue) or the hon. member for Bonavista-Twillingate (Mr. Pickersgill).

As I listened to the Prime Minister, particularly toward the middle and the end of his speech, the feeling grew within me with increasing intensity that perhaps there is an election in the air.

Mr. Diefenbaker: Hon. gentlemen opposite have been predicting that for six months.

Mr. Pugh: You had better read *Maclean's*.

Mr. Chevrier: Here there was "a repetition"—to use the expression the Prime Minister likes to use—of speeches that he and many of his followers made in the 1957 and 1958 campaigns. I tell the Prime Minister that if there is to be an election on this or any other issue, we on this side of the house are ready for it.

Mr. Benidickson: This would be a dandy.

Mr. Fleming (Eglinton): The hon. member for Essex East (Mr. Martin) is not ready.

Mr. Chevrier: The Prime Minister in his statement said that all provinces will be treated alike, that there will be no difference in the treatment accorded the provinces. Well, Ontario will receive $18 million and Quebec nothing additional under the new bill.

Mr. Diefenbaker: Nothing?

Mr. Chevrier: The Prime Minister went on to say that this is the end of centralization, that we are concluding centralization and substituting co-operation. I should like to remind the Prime Minister who dealt at some length with the matter that there were no taxes imposed under the War Measures Act.

Mr. Diefenbaker: In 1948?

Mr. Chevrier: There was no centralization in the tax rental agreements. Even during the war they were voluntary. Quebec never accepted after the war. When in the early 1950's Quebec introduced double taxation the St. Laurent government provided for a deduction from the federal tax the same year and then introduced equalization which removed any shadow of disability between the agreeing and non-agreeing provinces. Again in 1957 the equalization system increased payments to the provinces by $100 million, more than anything yet done by the present government in the tax sharing field.

[Mr. Speaker.]

I wish to remind the Prime Minister that during the campaign of 1957 he and his followers claimed that under the tax sharing agreements negotiated by the former administration which will expire on March 31 next the provinces had been "forced into a starved condition". Those were the words the Prime Minister used. He promised to assure fairness to all.

As the house knows, during the campaign of 1957 Mr. Frost supported the Prime Minister's policy, as did the Frost government in Ontario, and said that if the Conservative party was elected Ontario would receive an additional $100 million annually out of the federal treasury. What is happening now? As I said, Ontario will receive $18 million more and has to impose a tax of 3 per cent in order to meet the difference.

Here is the situation. The government pretends that this is a better scheme than the one which existed before. Mr. St. Laurent in his statements in the house and outside never pretended at any time that the formula which he brought forward was perfect. He said it could be improved but he also said that under the circumstances it was the best formula that could be found. I am convinced that the formula contained in this legislation is not as equitable as the previous one.

What are the facts? The government pretends that the formula contained in this legislation is a better one. It is better for Ontario, by $18 million—

Mr. Martin (Essex East): Far short of what Ontario expected.

Mr. Chevrier: As my hon. friend has said, it is far short of what Ontario expected and had a right to expect.

Mr. Benidickson: They thought they had a wink for $100 million.

Mr. Chevrier: But what is the situation in Quebec, Manitoba and Saskatchewan? All three are in the same position. The government's formula is so bad it did not dare apply the formula to those provinces. Instead of applying this fine new formula to those provinces the government will have those provinces remain under the existing law. In other words for those three provinces the present law is better than the government's new scheme, as is clearly demonstrated in this bill.

For British Columbia and Alberta there is an actual reduction and those provinces will be worse off under the new scheme than under the existing law. As the Minister of Forestry said before the luncheon adjournment, the Atlantic provinces would have been so much worse off under the new scheme

that the government had to add another $10 million to the Atlantic provinces grants to make up the difference. But this device created new inequalities within the Atlantic provinces themselves as the hon. member for Gloucester so clearly pointed out this morning.

Mr. Fleming (Eglinton): So erroneously.

Mr. Chevrier: To sum up, there is no improvement whatever in the new equalization formula for nine of the ten provinces. I ask, Mr. Speaker, whether this is the way to promote the national unity and harmony which the Prime Minister promised in 1957? So far as Quebec is concerned there is absolutely no improvement. The minister has refused to indicate whether there is any prospect of improvement as he did by not answering the question put to him by the hon. member for Bonavista-Twillingate in which the minister was asked to produce in this house a comparative table which would illustrate the situation under the new formula as compared with that under the old. Obviously such a comparison would not be helpful to the government.

This is the great new deal for the provinces and municipalities which the Prime Minister promised in his opening campaign speech at Massey Hall on April 26, 1957 when he said:

> We believe there can be no national unity in this nation until there is a realization that the federal-provincial matters have handcuffed the provinces of this nation; have denied the municipalities adequate sources of revenue; have placed the provinces and the municipalities in a position where they cannot discharge their constitutional responsibilities or permitting the necessary development in their own territorial confines of the natural resources that there are. We believe the provinces and municipalities must have the financial resources to carry out those responsibilities. We believe in the federal system of government. We believe that its preservation is essential to Canadian unity. We believe the federal system is today being challenged by the centralization complex of the St. Laurent government and that a healthy division and balance of revenues as between the federal and provincial governments must be assured.
>
> We intend to form a government to immediately convene a dominion-provincial conference to bring about a settlement of these problems, not in the spirit of arrogant domination as displayed by the present government, but in the spirit of unity and amity and with mutual tolerance and respect.

Some hon. Members: Hear, hear.

Mr. Chevrier: The Prime Minister nods in affirmation of what he has said. I ask if it was evidence of national unity when, following the conference here, practically all of the premiers, except perhaps one, declared their inability to abide by the proposals put forward by the present government and voiced their dissatisfaction.

Mr. Fleming (Eglinton): What a gross exaggeration.

Mr. Chevrier: I state, in the light of what is being said here and what has happened in the form of this legislation, the federal government puts forward this proposal which was set out at the conference last February and in a spirit of, I say to you, "arrogant domination" they have refused to change at all, and what is more, they have even refused to confer again with the provinces that have asked for a conference. They have refused to confer even though seven premiers expressed strong opposition to this scheme and several of them, including the premier of the province of Quebec, have asked for another conference.

In order to support that contention I intend to put on *Hansard* portions of the letter which the Quebec premier wrote to the Prime Minister. The letter from Premier Lesage is dated July 13, 1961, and reads as follows:

(Translation):

The Right Hon. John G. Diefenbaker, P.C., Q.C.
Prime Minister of Canada,
Parliament Buildings,
Ottawa, Ontario.

Dear sir:

My colleagues and I have dutifully given close consideration to your letter of June 16, 1961, in which you set forth the federal government's intentions with regard to the questions raised during the recent federal-provincial conferences and, more particularly, the one which was held in Ottawa on February 23 and 24 last.

The province of Quebec has passed its own laws in the matter of personal and corporation income tax. I have no intention of proposing to the legislature that the care of collecting those taxes be entrusted to the Department of National Revenue. For that reason, I shall refrain from commenting on the collection agreements suggested.

With respect to the equalization formula, the guarantee offered and the gradual widening of the taxation field reserved to the provinces in the matter of personal income tax, I must point out once again that the effect of widening the taxation field is illusory for us, to all practical purposes, since what is given to us with one hand is taken away with the other, due to the decrease in equalization.

Personal and corporation income tax is already a heavy burden for our taxpayers. Therefore, our government will not be able to avail itself of a freer hand in the taxation field without maintaining or increasing double taxation.

You will understand that my colleagues and myself were bitterly disappointed by your letter. As I pointed out in Ottawa, the province of Quebec is in full expansion and needs additional revenues. In order to reach the national average, its expenditures, according to D.B.S. figures should be materially increased in the important fields of education, health and communications. Those are priority requirements and only through an increase in the revenues at our disposal shall we be in a position to carry out our obligations under the constitution.

(Text):

I jump over several paragraphs to come to this concluding one.

(Translation):

Under the circumstances, it is urgent that another conference be held in order to seek an agreement and to see that no such serious misunderstanding be allowed to subsist.

I have no objection to quoting the answer given by the Prime Minister (Mr. Diefenbaker) in his letter; the only thing to which I would object is what I have noticed going on between the Prime Minister and the Minister of Finance (Mr. Fleming). I am not saying this to be at all mean toward the Prime Minister.

However, I do congratulate him for his contribution at that time and, with his permission, I should prefer not to read his letter, first because it is long and second, because it is printed in *Hansard* where he can easily find it.

Mr. Deschatelets: It has no meaning, anyway.

(Text):

Mr. Chevrier: But the point is this, sir, here is one of seven premiers of the various provinces who demanded that this matter be reconsidered. Apparently the answer has been a positive negative, a positive no.

In so far as the premier of the province of Quebec is concerned, this is not a good agreement for that province. It is certainly not as good as the one that had been submitted by the previous administration. As the hon. member for Leeds (Mr. Matheson) said last night, if a careful view is taken of the proposals it looks very much as if those provinces which decided to vote in favour of a Conservative administration received better treatment than they otherwise would have received, and those provinces which support a Liberal administration or administrations other than Conservative seem to have lost considerably under the proposal.

Mr. Benidickson: Pretty shrewd.

Mr. Chevrier: In any event, the answer to the request made by the premiers of the provinces has in effect been this, take it or leave it.

Mr. Fleming (Eglinton): Nonsense.

Mr. Chevrier: That is why we are going to vote against this measure.

Mr. Fleming (Eglinton): Mr. Speaker—

Mr. Speaker: I must inform the house that if the minister speaks now he will close the debate.

Hon. Paul Martin (Essex East): Mr. Speaker, before the Minister of Finance takes part in this debate, I should like to supplement what members on this side of the house have had to say about this measure. I join with my colleague the hon. member for Laurier (Mr. Chevrier) to put in perspective some of the things which have been put improperly in attempted perspective today by the Prime Minister.

It must not be forgotten that one of the assurances given by the Prime Minister in the election of 1957, as we were reminded today by the hon. member for Laurier, was that if his party was elected to office and he was made Prime Minister, he would end once and for all the unfair situation that prevailed in fiscal matters between the federal and provincial governments. It will be recalled that he associated that promise with the statement that not later than the month of September, 1957 a conference would be held with the provinces to resolve this question. Well, parliament was called together in the fall of that year. This government sat to your right, Mr. Speaker, for the first time in the autumn of 1957. No conference had been called, as was promised by the government of the day. *Hansard* records persistent interrogation of the Prime Minister and of the Minister of Finance asking when a conference of the provinces was going to take place. Well do I remember particularly reminding the Prime Minister of the promise he made in that regard at St. Patrice de Beaurivage in the province of Quebec. But, Mr. Speaker, no conference took place until after prodding by members of the Liberal party. At the end of October we were told by the Minister of Finance (Mr. Flemming) that the provinces were going to meet with the federal government some time in the month of November We all remember what took place then. The conference met, it is true. Every provincial premier made his declaration of policy and intention and made his requests to the government, a government that had promised to resolve this question for all time.

After the provinces had stated their case and the Minister of Finance his preliminary statement, and the Prime Minister (Mr. Diefenbaker) had expressed solicitous phrases of welcome to the capital of our country, the conference adjourned. No action was taken, no policy statements were formulated, no agreement was entered into between the provincial and federal governments in November, when they first met. The communique issued after that conference clearly indicated that it was understood that the conference would be reconvened in the month of January. We were told that in this house by the Minister of Finance. Well, what happened? Before many days in the month of January had expired the Minister of Finance rose and.

instead of announcing the date that the conference would be reconvened, gave to the house the terms of a telegram which had been dispatched to the provincial premiers and in which the government, a government that was going to sit down at the table and have joint exchanges with the provinces on these complicated and highly important matters, laid down to the provinces its policy: "We are going to give you so much money; these are our terms and this is the situation whether you like it or not". Those were not the elegant words used by the Minister of Finance but I am paraphrasing the thought.

We all remember too that the amounts of money set forth in the telegram were later proven to be erroneous and not in harmony with the facts. In other words, the mathematical calculation of the minister in that telegram was proven to be erroneous. I later charged, and I repeat the charge now, that that telegram sent to the provinces was prepared by an official in the treasury of the government of Ontario and not by an official here in Ottawa.

Mr. Fleming (Eglinton): Your charge is just as false today as it ever was.

Mr. Martin (Essex East): No one has disproved it.

Mr. Fleming (Eglinton): It is a false charge.

Mr. Martin (Essex East): The minister says it is a false charge. I say to the minister, as I said on another occasion, that the telegram was prepared by Mr. George Gathercole—

Mr. Fleming (Eglinton): And I tell the hon. member that his charge is false.

Mr. Martin (Essex East): —assistant to the premier of Ontario. I have made that statement on three occasions in this house.

Mr. Fleming (Eglinton): It has been false every time.

Mr. Martin (Essex East): Well, why did the minister not take issue with my statement on the other occasions? Under the rules of the house I am bound to accept the statement of the Minister of Finance but only because of the rules do I have no other recourse. I repeat that on three former occasions I made this charge and only now are we receiving a denial from the Minister of Finance.

In any event, the fact is that the provinces were not called back and every premier expressed his indignation in public. Premier Stanfield of Nova Scotia did so as did Premier Roblin of Manitoba and all the other premiers joined these two to express their displeasure and indignation at the high-handed manner in which federal-provincial fiscal relations were being treated by a government that was going to resolve this problem once and for all.

We know what took place then. An election took place. That was the reason for the telegram. It was not because the government was anxious to make a deal. It was because they were on the verge of an election. They knew that if the Prime Minister went to western Canada, particularly to Manitoba, the Prime Minister, in the face of the negative attitude taken by the federal government in November, would have been greatly embarrassed, especially in Saskatchewan and Manitoba by the state of federal-provincial fiscal relations at that time.

We talk now about the principle of equalization. Let us not forget the attitude of the government including the Prime Minister and more particularly the Minister of Finance. We know that the former government under the leadership of Mr. St. Laurent, having in mind the unequal conditions that prevailed with regard to tax revenues available to the provinces, embarked upon the principle of equalization based upon the direct tax revenues of the two wealthier provinces. That was a principle which the provinces recognized as a satisfactory way of providing for the inequities existing under our federal system, so far as a number of the provinces were concerned in relation to the two wealthier provinces. When we came back after the election of 1958—

An hon. Member: You were sad.

Mr. Martin (Essex East): My friend says that I was sad. Yes, I was very sad, as are the people of Canada today. That was one of the saddest days in Canadian history because it put into office the most incompetent government we have ever had in our history, a government that has been unwilling to meet its obligations and its problems and instead has assigned them continually almost day by day to royal commissions. Yes, it was a very sad day. I agree with my hon. friend. When we came back we asked the Minister of Finance if he would commit himself to the principle of equalization. The record of *Hansard* is there to show that the Minister of Finance, notwithstanding the statement made by the Prime Minister on equalization in Winnipeg during the course of the election, would not commit the government to the principle of equalization beyond 12 months, beyond one year. I had no intention of speaking today—

Mr. Fleming (Eglinton): Oh, no?

Mr. Martin (Essex East): I was aroused only after listening to the Prime Minister.

Otherwise I would have my finger-tips on the very remarks, admissions and statements of the Minister of Finance.

Mr. Fleming (Eglinton): You certainly have not got them.

Mr. Martin (Essex East): I challenge him to deny that in this house he refused to commit the government to the principle of equalization beyond one year. That is a fact.

Mr. Fleming (Eglinton): It is not.

Mr. Martin (Essex East): It was only when the Prime Minister realized what the attitude of the province of Manitoba was, particularly with regard to the failure of the government to commit itself to the principle of equalization for all time, that pressure was brought to bear on the Minister of Finance by the Prime Minister. No other conclusion is open.

Mr. Fleming (Eglinton): That is untrue. You are dreaming.

Mr. Martin (Essex East): The minister keeps interrupting my remarks and saying, "That is untrue". That is his view. It certainly is not my view and my view is borne out by the facts.

Mr. Fleming (Eglinton): By your dreams.

Mr. Martin (Essex East): It is true that the government has recognized the principle of equalization only because of pressure brought to bear on the government and the Prime Minister by the Leader of the Opposition (Mr. Pearson), the hon. member for Bonavista-Twillingate (Mr. Pickersgill), the hon. member for Kenora-Rainy River (Mr. Benidickson), the hon. member for Laurier (Mr. Chevrier) and others.

Mr. Fleming (Eglinton): What about Essex East?

Mr. Martin (Essex East): I will have to leave to the Minister of Finance—

Mr. Fleming (Eglinton): Don't be so modest.

Mr. Martin (Essex East): —the assessment of the amount of influence which the member for Essex East has on the minister. My judgment is that my influence on the Minister of Finance grows more and more negligible in proportion to the esteem that the Canadian people have for this government. In any event, the fact is that this government did not affirm its belief in the principle of equalization until pressed to do so, something that was essential for the poorer provinces particularly. No amount of histrionics today, September 27, 1961, will change the record and the provincial governments are aware of this fact.

Mr. Fleming (Eglinton): You are changing it in your speech.

Mr. Martin (Essex East): My hon. friend says I am changing it. If I am changing it, that is something my hon. friend ought to recognize, namely that there is a value in changing one's position from time to time, particularly if it is wrong.

The Prime Minister today made much of the conditional grants given to the maritime provinces. My hon. friend can point right now to an increase, dollarwise, in current grants to the provinces. But this is not the test. The test of this legislation and of the principle behind it is this: What is the permanent structure on which will be based future grants to be made to the provinces by the federal government? To say that this particular year there is being given to the Atlantic provinces the sum of X dollars more than was given three or four years ago does not in any way meet the issue that is involved in this discussion. Of course there are increases but those increases, based on the present principle of grants made to the provinces, will in ensuing years result in a financial situation to the provinces less favourable under the present formula than would have been the case under the formula for which the present bill provides a substitute. That is the incontestable fact.

For instance, let us consider the province of Newfoundland and the maritime provinces generally. They are not treated as generously as the Prime Minister seems to suggest. We must not forget that Prince Edward Island, as well as Nova Scotia and New Brunswick are full partners in confederation as of course are the provinces of Saskatchewan and Manitoba. The government talks of equal treatment because of its forced adherence now to the principle of equalization. That principle of equal treatment is not observed in the tax arrangements as far as Prince Edward Island is concerned, for instance. Under the new proposal the total increase in revenues to be received in the province of Prince Edward Island will be $3 per person. The annual increase to my own province of Ontario in the same period will be $6 per person. In the face of this how can the Prime Minister talk about fairness to all the provinces?

A moment ago I was talking about the principle of equalization. The application of the principle of equalization ensures, I repeat, that the direct tax revenue from the three sources of taxation for every province, on a per person basis, would equal the direct tax revenues of the two wealthiest provinces. That principle is vital, I repeat, to Prince Edward Island and to all the provinces that

are economically less well endowed. But I repeat that it has been jeopardized by the new arrangements now being embodied in the bill, the principle of which we are now discussing, because the national average has been substituted for the average of the top two provinces.

I say that does not fully give to the provinces—the so-called have not provinces, the so-called less developed provinces—the same benefits as those given under our application of the principle of equalization. If our application of the principle of equalization were to be applied the treasury of the province of Prince Edward Island would receive an additional half million dollars per year on top of the moneys now extended to it. That is the situation. Yet we have the Prime Minister repeating words which the Minister of Finance has put in his mouth and which we know do not represent the true situation.

However, we have not had the whole story. It is connected with one of the most important political personalities in our country. I refer to Premier Frost. In April 1957, in the opening campaign meeting in connection with the elections of that year, Premier Frost appeared on the platform with the present Prime Minister. We all remember the assurance given by those two hon. gentlemen to the people of Canada and to the province. On that occasion, Mr. Frost put his hand on the shoulder of the present Prime Minister, then leader of the opposition, and said, "This is my man. Elect this man and Ontario will get from the federal government what Ontario has not been able to get from the St. Laurent government. We want at least another $100 million in order to discharge our obligations. This amount we cannot get from the present federal government. Elect this man, my friend John, and Ontario will get a new deal". That was an assurance given by the premier of Ontario. The Prime Minister did not say, "Oh, I cannot commit myself to assurances like these. This is a very large sum of money. I must take into account the situation in Manitoba and the situation in Saskatchewan. I must realize that if I am elected I am going to be the prime minister of all of Canada."

Mr. Pallett: For a long time.

Mr. Martin (Essex East): My hon. friend says, "For a long time". All my hon. friend does is to make interjections like that. Because of this he will not be here for a long time.

In any event, that was the promise made by those two gentlemen. What is the situation? After the election of 1957 Mr. Frost wore out the red carpet from Toronto to the east block with his visits in an attempt to get a new deal from the Prime Minister, his friend John, the man whom he had recommended to the people of Canada. He could get nowhere with the Prime Minister because the Prime Minister could get nowhere with the Minister of Finance. That was the reason. It was not until two years had elapsed that the premier of Ontario, his patience exhausted, said that his first responsibility was to the province of Ontario and that because he could not get what he wanted out of the then federal government, now headed by the present Prime Minister, he would have to change his formula. We know what that change amounted to. Instead of the premier of Ontario asking for $100 million or $118 million, when he came here to Ottawa on the second last occasion he raised his ante and he said, "Since I was not able to get my original amount,"—and, he might have added, at least in parenthesis, what had been promised at that Massey Hall meeting in April of 1957—"I now must ask for $500 million. In no other way can I, as premier of Ontario, discharge my responsibilities and see that schools are built, provide for the building of highways and the like". As a result of that last conference Ontario did not get what it wanted, of course. Ontario got much less than the $500 million, and not anything like the full amount of the $100 million originally asked for.

What is the result? The result is that in the province of Ontario today there has been imposed a sales tax which has aroused the people of Ontario as very few tax imposts in that province have done.

Mr. Pallett: A tax fully supported by the leader of the Liberal party in Ontario.

Mr. Martin (Essex East): My hon. friend may make whatever objections he wishes from his seat but the fact is—and this is the place in which to say it—that Premier Frost has said he was forced into this situation because of the intransigent position taken by this government and the Minister of Finance (Mr. Fleming).

Mr. Fleming (Eglinton): That is not what he said.

Mr. Martin (Essex East): So when we are now confronted with criticisms of this sales tax which has been imposed in the province of Ontario we must bear in mind that we have as our witness—and indeed he is an unimpeachable witness—the premier of Ontario, who says, "Do not blame me for this sales tax, you grocers, retailers, purchasers of commodities, and the like". He does not say, "Blame the Minister of Finance" in these words—

Mr. Fleming (Eglinton): That is what you said a moment ago.

Mr. Martin (Essex East): —but everybody knows that on the shoulders of the Minister of Finance and this government must rest, according to the premier of Ontario, the primary responsibility for the imposition of this sales tax in Ontario at this time.

I am not in the know of the councils of the Conservative party, and I must say that as the years go on they become less and less communicative to me with regard to matters that go on in the councils of that party. You will therefore understand, Mr. Speaker, how helpless I feel in the matter—

Mr. Fleming (Eglinton): And you look helpless.

Mr. Martin (Essex East): —but I am entitled to draw certain deductions. It is not without some significance that Premier Frost, who has had a very long and distinguished sojourn as head of the government of Ontario, has decided in his moment of glory at the moment when everyone is giving him accolades, bowing to him and acknowledging his contribution to the public life of Ontario, to suddenly leave the government of Ontario and public life.

It has been suggested that the foremost reason for that decision is his inability to extract from this government a fulfilment of the assurance it gave—

Mr. Fleming (Eglinton): That is utter rot.

Mr. Martin (Essex East): —with regard to this matter of federal-provincial fiscal relations.

Mr. Fleming (Eglinton): Fantastic rot.

Mr. Martin (Essex East): The Minister of Finance says it is all rot.

Mr. Fleming (Eglinton): I said it is more than that; it is fantastic rot.

Mr. Martin (Essex East): Of course, Mr. Speaker, the Minister of Finance has been away for a long time. He has been visiting several countries of the world and he has been on several continents. He is perhaps unaware of some of the things that have been taking place in the innermost recesses of the councils of the Conservative party. But I hear on the best authority—

Some hon. Members: Oh, oh.

Mr. Martin (Essex East): —that Mr. Allan, the provincial treasurer, one of the candidates for the leadership of the Conservative party in Ontario, feels just as Premier Frost does, that perhaps they had better give up—

[Mr. Martin (Essex East).]

Mr. Martineau: Is that why he is seeking the leadership?

Mr. Martin (Essex East): —expecting any assistance along the lines promised by this government in the election of 1957. However, someone some day will write the history of the premier of the province of Ontario, and we hope the real reason for his resignation—

Mr. Fleming (Eglinton): We hope it will not be written by Pickersgill.

Mr. Martin (Essex East): —will be made known. We hope we will learn the nature of the conversation between the premier of Ontario and the Prime Minister of Canada (Mr. Diefenbaker) on the day before the premier of Ontario announced, with understandable reluctance, his decision to leave Ontario politics. Some have even suggested he is not going to leave politics, that he is going to come to Ottawa and take up an appointment in another institution of this parliament. It may be that he hopes in that capacity to exercise a greater influence on this government than he did as premier of the province of Ontario.

The government is confronted with this background to this bill. It must not be forgotten that this government's policy in this particular is most regressive. When one thinks of the complicated financial structure that exists in this confederation of ours, with ten provincial governments and one federal government, a government which since the war has rented certain tax fields from the provinces, corporation taxes, income taxes and succession duties; when one realizes the confusion that prevailed before the present arrangement and the demands made by responsible people of all classes in this country almost since the beginning of this century up to the Rowell-Sirois report in 1941, and what followed that report; and the decision of a former minister of finance, Mr. Ilsley, to bring about this new formula in connection with these tax fields, all one can say in the light of all this history is that we are now embarking legislatively on a program that is most regressive. Some day this government will regret the step it is taking.

It may relieve the government of political embarrassment. They may now more successfully resist some of the requests and demands being made by the provinces, but as a result of this bill which we are shortly going to discuss—

Mr. Fleming (Eglinton): Discuss?

An hon. Member: We are discussing it now.

Mr. Martin (Essex East): As a result of this bill, the details of which we are shortly going to discuss, this government has embarked on a course that is regressive and

is going to encourage provinces to enter fields of taxation—which it will be within their right to do—which will place on the Canadian taxpayer a serious burden. After all, all the moneys that come to governments on all levels originate in only one source, and that is the Canadian citizen who, out of his hard work provides governments on all levels with the financial resources to carry on the projects of government.

Premier Robichaud announced yesterday in New Brunswick that as a result of this bill he is going to have to go out and get $2½ million more. There is talk now of the provincial legislature being called for the purpose of enabling that body to consider additional forms of taxation to be imposed on the people of New Brunswick, just as a similar situation has developed in the province of Ontario and as it will develop in other provinces.

The federal government has obligations in national defence, social welfare and the like. In the latter field we have not stopped. There is still a great deal to be done. But I say that this government, by the regressive step it is taking, in this measure, is putting one of the greatest halting blocks to further social reform in this country, because it is imposing obligations on the Canadian people that will come from further imposts by the provinces, and which our people will find it increasingly difficult to bear.

The Prime Minister did not say a word about that. He simply referred to the increases in the conditional grants since this government came into office. Incidentally, these increased conditional grants were based on grants originally provided for by Liberal governments under Mr. Mackenzie King and Mr. St. Laurent. The Prime Minister referred to the increases in hospital insurance payments and to other conditional grants. Let it not be forgotten, that long before this government came along, and sometimes against the opposition of its supporters in this house, grants were made to the provinces in the field of social welfare by the former government in a wide area of social interest. When we compare what was paid out in old age pensions, old age assistance, blindness allowances, family allowances, unemployment insurance and disability pensions, and the like, by the former government with the allocations made during the past four years, it is no wonder that we marvel at the daring of the Prime Minister (Mr. Diefenbaker) in suggesting today that the increases in the social services represent the unique interest of this government in social welfare. Of course, these are obligations which would have to be continued by this government. But the Prime Minister said nothing about the authorship of these measures; he said nothing about the antecedent situation and how the structure on which these measures are based was provided.

While this legislation will relieve the government of certain payments for a period, in taking this step the present administration has embarked on a negative and regressive course—a course which negates the work of men such as John W. Dafoe, and the late Newton Rowell, of men like Frank Scott, Dr. Skelton and others who over a period of many years laid the groundwork in this country for the principles embodied in the recommendations of the Rowell-Sirois report, which was later carried out in part under the former administration when Mr. Ilsley was prime minister.

Mr. Fleming (Eglinton): When was Mr. Ilsley ever prime minister?

Mr. Martin (Essex East): I meant minister of finance. Whether he was prime minister or not the contribution made by that right hon. gentleman as minister of finance was such that he certainly would have made a great prime minister. I must say that as I look at the Minister of Finance (Mr. Fleming) who has been engaging in long extended peregrinations outside our country over many continents, as I look at him now, happy to see him back in his place, it is understandable that I should naturally become confused sometimes, and that is why today I look toward the chair rather than be diverted by his happy presence.

Mr. Fleming (Eglinton): You are confused most of the time.

Mr. Martin (Essex East): The minister says I am confused most of the time. I simply want to say this to the hon. gentleman. He has been in this house for a long time, and he has been a student of government in this country for a long time. He knows that what I have said is true. He knows that this legislation is putting back the clock of progress in the matter of federal-provincial fiscal relations. He knows that it is undoing all that was done after a previous government accepted the recommendation of the Rowell-Sirois report. The minister and his friends have undone the basic and important decisions arrived at by the federal government and the provinces in the many conferences which took place in those days, and particularly that which followed the conclusions of the green book in 1945. The hon. gentleman has been made an unwitting instrument of negative action. He should be the last to rise and say that as a result of this measure the Prime Minister can boast with *Maclean's* magazine: "We have fulfilled our promises."

This bill is a demonstration that the Prime Minister—who now comes in at the end of my speech—has failed, together with his government, to live up to any serious percentage of the hundreds of wild promises which were made to the people of this country during the course of two elections. This bill will be judged for what it is. Like other unfulfilled promises it will be taken as a reason for throwing this government out of office and putting someone else in who can govern.

Mr. Speaker: I repeat my injunction that if the Minister of Finance speaks now he will close the debate.

Hon. Donald M. Fleming (Minister of Finance): The hon. gentleman has just regaled the house with a speech which was put before us as an impromptu performance, though it was obviously a well rehearsed repetition of a performance we have seen on his part on many previous occasions. He talked about wild promises. Well, I do not think any member has heard in half an hour in this house as many wild statements as we have heard from the hon. member for Essex East this afternoon. In that respect, the hon. gentleman was at his peak. He was all over the horizon today.

Let us see what there is in substance in these criticisms. We are told that there is some discrimination in the formula which has been put forward in this bill, that there is an attempt being made to favour provinces with Conservative provincial administrations and to give less than equal treatment to provinces with administrations of another political stripe. That statement just is not true. This is a formula which applies to all the provinces. We have not doctored the formula. We have not put forward a formula which applies to some while another applies to others. This bill contains one formula applicable to all the provinces.

I shall make a qualification as regards favouritism. It is that this bill favours four provinces, and those are the four Atlantic provinces. It does favour them. We admit that. It favours them to a degree that no fiscal legislation in the history of this country has ever favoured any province. When it comes to a charge of favouritism in that respect, we plead guilty and we put our case before the house.

This is definitely a Conservative measure. Atlantic provinces adjustment grants were never heard of before this government came into office. This afternoon we heard from the hon. member for Essex East (Mr. Martin). We heard from the hon. member for Laurier (Mr. Chevrier). We heard at great length yesterday from the hon. member for Bonavista-Twillingate (Mr. Pickersgill). These were all members of the former administration. Their formula, the 1956 formula which came into effect in April, 1957, was: 10 per cent of the individual income tax for the provinces. These are the 10 per cent men. Look at them —10 per cent written all over them.

Mr. Martin (Essex East): Look at the 3 per cent Minister of Finance.

Mr. Fleming (Eglinton): There were no Atlantic provinces adjustment grants in their minds then. But it did not take this government very long to introduce them—the greatest measure of fiscal recognition that the Atlantic provinces of this country have ever received. There has been nothing like it in Canada's history.

We did not stop there. We moved swiftly to increase from 10 per cent to 13 per cent the provincial share of the yield from personal income tax. The 10 per cent men opposite did not think of that, and they did not give any place to that in their comments today about the fulfilment of promises.

In 1957 when the electorate passed upon the record of the former government and the policy which was offered to them by the present Prime Minister, the people made their choice and hon. members opposite know perfectly well in their hearts, notwithstanding their hollow blustering today, that the promise made by the present Prime Minister before that 1957 election was carried out within a matter of months of his taking office. This course of aiding the provinces was not concluded then. It has been the policy of this government to increase progressively out of the federal treasury provisions for the provinces, whether in the form of conditional or unconditional payments, on a scale never dreamed of by those 10 per cent gentlemen opposite. The 10 per cent tag is firmly stuck on them and it will remain so. For them to try to appear now before the Canadian electorate as the champions of the provinces is a pose that will not delude the sound, intelligent Canadian electorate. So much for the change of favouritism.

It will be remembered that of those four Atlantic provinces two happen to have Conservative administrations and two happen to have Liberal administrations. It is quite obvious that the government has not attempted to draw political lines in this very greatly increased aid that it is providing under the present measure, just as no political lines were drawn in the substantial increases made in aid of the provinces in the years since 1957.

An hon. Member: That was a five cent speech.

Mr. Fleming (Eglinton): There has been no five cent thinking on the part of this government at any time. That is a tag that belongs exclusively to hon. members opposite.

Mr. Martin (Essex East): I thought it was 10 per cent?

Mr. Fleming (Eglinton): As might have been expected we were told this afternoon by the hon. member for Laurier that there is no improvement. He complained that the province of Quebec is not getting enough.

Mr. Chevrier: What improvement is there?

Mr. Fleming (Eglinton): The premier of the province of Quebec is a gentleman who was a member of the former government back in 1956-57. At that time it was evidently his conviction that 10 per cent was a sufficient proportion for that province to receive from the personal income tax yield, not 13 per cent as it has been since 1958, not the 16 per cent that it is going to be in the first year after this bill comes into effect, moving up to 20 per cent five years from now. No, Mr. Speaker, it was 10 per cent, another 10 per cent tag attached to hon. members opposite. These hollow words from hon. members opposite do not strike a very convincing note. The record is all too plain in their case. The people know their record, the 10 per cent record. These are also the "six dollars a month" men.

What are the facts in relation to the province of Quebec? If we look at page 7920 of *Hansard* of July 11, 1961 it will be seen what happened in the case of Quebec since this country was emancipated from the ramshackle Liberal government that was defeated in 1957. The payments to the province of Quebec are to be found at that page of the record. In the fiscal year 1956-57 when hon. members opposite were in office for the full 12 months, the total of payments—unconditional grants, conditional grants and payments for the benefit of provincial institutions was $17,463,000.

Mr. Martin (Essex East): Give the total for the whole period.

Mr. Fleming (Eglinton): In 1957-58, the year when the two governments shared responsibility, the total paid was $204,757,000. This year, 1961-62, it has moved up to $390 million.

Mr. Martin (Essex East): Give the total for the whole period.

Mr. Fleming (Eglinton): The province of Quebec—

Mr. Chevrier: Will the minister permit a question?

Mr. Fleming (Eglinton): The province of Quebec—

Mr. Chevrier: Will the minister permit a question?

Mr. Fleming (Eglinton): The province of Quebec, Mr. Speaker, must be very thankful indeed that a change of government was brought about on June 21, 1957 so that the province instead of receiving the $200 million, in round figures, is now receiving just about double that sum this year. That is the record of this government.

Mr. Chevrier: Will the minister permit a question? Will the minister put on the record alongside these tables a table which would indicate what the provinces would receive under the new tax sharing agreement?

Mr. Fleming (Eglinton): Mr. Speaker, the hon. gentleman evidently does not read *Hansard*. This information will be found at page 7927.

Mr. Chevrier: It is not on record.

Mr. Fleming (Eglinton): Yes, it is on record. I will tell the hon. member that I was going to come to that because there are some interesting things to be found in that table. We have at page 7927 given to the house three tabulations. We have shown what will be available in the coming fiscal year, 1962-63 under the new formula, the formula under this bill. This shows Quebec receiving $241,500,000. It shows also in the second table what the present formula under the Federal-Provincial Tax-Sharing Agreements Act would yield to the provinces if there were no new legislation and if we simply continued the existing legislation. That shows that the province of Quebec would receive in the next fiscal year the same amount. But we have also given here a third figure which is what the yield to the provinces would have been in the year 1962-63 if the old government were still in office with its old 10-9-50 formula. This is the Liberal, 10 per cent formula. This shows that if hon. members opposite were still in office with their old 10 per cent formula the province of Quebec next year would receive $217,284,000. The province of Quebec, in round figures, is $25 million better off next year by reason of the defeat of the Liberal government in 1957, not to count the cumulative effects that I have pointed out in the earlier table which show the over-all increase over the five year period to be $200 million per annum in round figures.

Mr. Chevrier: Will the minister permit a question?

Mr. Fleming (Eglinton): I think some of these questions might be more appropriate in the committee stage, Mr. Speaker.

Mr. Chevrier: Perhaps they would be, but the minister was kind enough to allow me to interrupt a moment ago. Would the minister, in order that there will be no misunderstanding about what I ask, put on the record a hypothetical illustration of provincial revenues for the years 1962 to 1967 under the new agreement?

Mr. Fleming (Eglinton): Mr. Speaker, we will deal with facts here and not hypotheses.

Mr. Chevrier: That is exactly what the minister's table is. It is a hypothetical illustration.

Mr. Fleming (Eglinton): No, Mr. Speaker.

Mr. Chevrier: Oh yes, it is.

Mr. Fleming (Eglinton): The hon. gentleman can be wrong perhaps more chronically than most people would wish. The fact is that the figures shown in the table which I invite the hon. member to examine for the first time demonstrate very clearly that these tables are based on the 1961-62 estimates of 1962-63. That is as close as any experts can come to next year's figures, the figures for 1962-63.

Mr. Chevrier: Give us the calculation for five years.

Mr. Fleming (Eglinton): Something was said about New Brunswick. The Prime Minister has put on the record the figures in relation to New Brunswick. Here is a province that in terms of its sharing in the Atlantic provinces adjustment grants is going to receive the $7.5 million it has received in each of these last four years from that source and an additional $3 million per annum out of the $10 million per annum increase which this measure will offer the provinces in the Atlantic area.

I wish now to touch briefly on the subject of what have been called the guarantees. It is an essential part of the formula in this bill that, in the first place, no province shall receive less, in dollars, than it is receiving this year, 1961-62. It is equally a fact and a provision of this bill that no province in which the yield from the standard taxes and the revenues from resources is less than the national average will receive less than it would have received if the present formula were continued into the new period.

There are firm guarantees that undergird the fiscal position of the provinces. These are an essential part of the formula presented in this measure. This undergirding of the fiscal position of the provinces does not stop there because this bill, in compliance with the earnest pleas made by the provinces, does write into the arrangements a provision in relation to the stabilization of revenues on the 95 per cent basis that has been requested by the provinces. Therefore, Mr. Speaker, there are guarantees of the firmest kind here, and we have here the most generous provision that has ever been made or that any parliament in this country's history has ever been invited to make for the assistance of the provinces and the buttressing of confederation in this country.

We are asked, sir, to confer again, to call another dominion-provincial conference. This request is echoed in this house by hon. members who have been busying themselves for the last several years in deriding the numerous dominion-provincial conferences that we have called. There have never been as many dominion-provincial conferences at any time as there have been in the past several years. The present formula is the outcome of three dominion-provincial conferences.

Hon. members opposite have been asleep. The first of those conferences was held, July 25 to 27, 1960; the second from October 26 to 28, 1960, and the third on February 23 and 24 of this year. There have been three plenary conferences with relation to this coming period and the fiscal arrangements that are to govern in this period.

Hon. members opposite have engaged in such exaggerations. Actually the requests in this respect have come from only three provinces. We have heard the views of those provinces on every feature of the present proposals. There is nothing in this bill that has not already been discussed in one form or another at the conferences, so there is nothing that can be accomplished by another conference except repetition. Therefore a conference, as the Prime Minister has pointed out in his very courteous and understanding letters in reply to those letters from provincial premiers which are on the record of *Hansard,* would serve no useful purpose. It is clear that no useful purpose would be served by calling another conference.

This legislation is required now in order that the provinces may be in a position to know what their fiscal positions are going to be and so that the provincial treasurers will be able to guide themselves accordingly in making their plans for the approaching fiscal year.

In conclusion, may I draw attention to some of the things that hon. members say they want to vote against? On this matter of the firm guarantees that I have spoken of, Mr. Speaker, let me say that this is the kind of provision which apparently did not occur to hon. members opposite in 1956. The fact is that if the Federal-Provincial Tax-Sharing Arrangements Act of 1956 had not been amended by parliament in 1958 five provinces would in one or more years have received

less under the former government's 1956 proposals than those provinces would have received under a projection of the 1952 tax rental agreements.

In the years that I have mentioned the following provinces would have received a greater payment under a projection of the 1952 proposals than under the 1956 Federal-Provincial Tax-Sharing Arrangements Act before we amended it. The deficiency of the 1956 arrangements over a projection of the 1952 tax rental agreements I can indicate briefly, Mr. Speaker. In the fiscal year 1957-58, Prince Edward Island and British Columbia, are in the class I have mentioned; in 1958-59, Newfoundland, Prince Edward Island, New Brunswick, Manitoba and British Columbia; in 1959-60, Prince Edward Island and British Columbia; in 1960-61, Newfoundland, Prince Edward Island, Manitoba and British Columbia; in 1961-62, Newfoundland, Prince Edward Island and British Columbia. The house will then be able to appreciate, Mr. Speaker, the value of the new formula that is contained in the measure now before the house and the very great benefit that it will bring to the provinces as compared with the inadequate treatment provided for the provinces in the 1956 legislation sponsored by the 10 per cent government.

It must have surprised hon. members who are aware of the terms of this measure and of the welcome that was extended to the proposals of the present government by the premier of Newfoundland to hear the hon. member for Bonavista-Twillingate announce at the end of his 80 minute tiring discourse yesterday that he was going to vote against the measure. We heard one or two other members say they were going to vote against the measure. This applies to the hon. member for Essex East and one or two others.

Mr. Martin (Essex East): What did I say?

Mr. Fleming (Eglinton): What then are they going to vote against, Mr. Speaker? In the first place they are going to vote against withdrawing from the provinces the shackles that have been imposed on them in times past under the kind of arrangement that the former government imposed.

Mr. Martin (Essex East): On a point of order Mr. Speaker; I suggest to you that the Minister of Finance is now embarking on a line of argument contrary to our rules. No hon. gentleman has the right to attribute reasons with respect to voting on the part of any member. My hon. friend is now imputing motives and going away beyond the kind of argument permitted. He may say that we propose to vote for reasons that he does not accept, or things of that sort, but to say that we are going to vote for the reasons that he has in mind is absolutely contrary to the rules, and no one knows it better than the Minister of Finance. He ought to stop indulging in this violation of the rules in his remarks.

Mr. Speaker: I do not know what the minister has in mind but what he has said so far, as I heard it, is not contrary to the rules.

Mr. Martin (Essex East): I know what he is going to do.

Mr. Speaker: He is referring to the consequences of a vote against the bill. It seems to me that that is perfectly in order.

Mr. Fleming (Eglinton): Exactly; it is the consequences of the vote of hon. members opposite to which I was referring. I do not know anything about the reasons of the hon. member because he has not any—no good ones, anyway.

This measure will remove the strait-jacket that the previous arrangements have imposed on the provinces. In that way, as the Prime Minister pointed out this afternoon, it will restore the proper constitutional relationships between the provinces and the dominion and also beween the provinces and the taxpayers in the provinces. It will place responsibility where it ought to be borne. Hon. members opposite wish to vote against this very necessary and desirable improvement.

Next, we, the federal government, today in this formula, offer without charge to collect for the provinces the personal and corporate income taxes that they may choose to impose. Hon. members opposite wish to vote against that. In his speech today the hon. member for Gloucester had a good deal to say about this. We do not ask any province to turn over to us the collection of its own taxes; it is completely free under the constitution to collect as well as levy its own. What we say is, if you wish us to collect, then there must be a common tax base. This is absolutely necessary. Anybody who knows anything about tax collection knows that, Mr. Speaker, but it was not clear to the hon. member for Gloucester today.

Therefore, I say, in the second place, Mr. Speaker, that hon. members who are going to vote against this bill will be voting against an opportunity given by the federal government to the provinces at the expense of the federal government to provide this service to the provinces, to collect their personal and corporate income taxes for them.

Next, Mr. Speaker, a vote against this measure is a vote to restrain the federal government from withdrawing progressively from

the field of personal income tax, to leave that field more and more to the provinces in aid of their revenues.

Mr. Martin (Essex East): Oh.

Mr. Fleming (Eglinton): A vote against this measure, Mr. Speaker, is a vote against the progressive withdrawal that this bill provides for the benefit of the provinces. We move up this year from something under 14 per cent to 16 per cent next year, 17 per cent the year after and progressively 1 per cent per annum until in the last year of the new five-year period the federal government will have withdrawn to the extent of 20 per cent from the personal income tax field. In that way, Mr. Speaker, the share of that tax accruing to the provinces simply on the basis of withdrawal will have increased in the five-year period by 40 per cent.

Mr. Martin (Essex East): It relieves the federal government but not the Canadian taxpayer.

Mr. Fleming (Eglinton): I say to those hon. gentlemen whose words are more profuse than their knowledge of this subject, and who say there is no benefit to the provinces here—

Mr. Martin (Essex East): That is right.

Mr. Fleming (Eglinton): —that they can contradict facts but they will not change facts.

Next, in relation to equalization a vote against this measure is a vote against the most progressive and far-reaching application of the principle of equalization that has ever been put before the Canadian parliament in legislation. This measure means and offers the application of the equalization principle to give more effect to the principle of fiscal need in the case of the provinces than has ever been the case before in any proposal put before parliament. We are proposing to take into this calculation one half of the resource revenues in the interests of equalization. When we talk about equalizing revenues among the provinces we should not simply confine it to the yields from the three standard taxes but we should have some regard to the yield from the resources as well, so that for this purpose decisions will not be made without regard to the fact that in one province the average per capita yield from resource revenues is 18 cents today and in another province $112.17. So, Mr. Speaker, if you are talking about equalization in terms of the true principle of helping out by federal resources to meet fiscal need in the case of the provinces, I say that this measure goes farther than ever before.

[Mr. Fleming (Eglinton).]

Then there are the Atlantic provinces adjustment grants which have been moved up to $35 million. Newfoundland gets its $8 million. It gets its increased share of the Atlantic provinces adjustment grants. These are reasons why any member from Newfoundland should welcome this measure and should give it his support.

How did the premier of Newfoundland react to this proposal? You will recall, Mr. Speaker, that at the conference where these proposals were put forward the premier of Newfoundland indicated how much he welcomed them. What is going to happen today in the face of that assessment of these proposals? What is the hon. member for Burin-Burgeo (Mr. Carter) going to do? What is the hon. member for Grand Falls-White Bay-Labrador (Mr. Granger) going to do? What is the hon. member for Trinity-Conception (Mr. Tucker) going to do? What is the hon. member for Humber-St. George's (Mr. Batten) going to do? Are they going to follow the lead of the hon. member for Bonavista-Twillingate (Mr. Pickersgill) and vote against this measure that brings so much assistance to Newfoundland? Are they going to say in that way that Premier Smallwood did not know what he was talking about, did not properly represent the interests of Newfoundland?

Mr. Martin (Essex East): What a deceptive argument.

Mr. Fleming (Eglinton): They have their choice, Mr. Speaker.

Mr. Martin (Essex East): What specious reasoning.

Mr. Fleming (Eglinton): Likewise all hon. members opposite will have their opportunity to say today whether they want the improved deal for the provinces that this measure offers, whether they want this vastly improved measure for the next five years or whether they want to deny to the provinces the benefit of these features of this new measure. This is a measure which is put before the house, Mr. Speaker, not by a government with a 10 per cent tag on it but by a government which has shown itself more responsive to the needs of the provinces than any government in Canada's history.

The house divided on the motion (Mr. Fleming, Eglinton) which was agreed to on the following division:

YEAS

Messrs:

Allard	Beech
Allmark	Bell (Carleton)
Balcer	Bell (Saint John-Albert)
Baldwin	Belzile

Bourbonnais
Browne (Vancouver-Kingsway)
Brunsden
Cadieu
Campbell (Lambton-Kent)
Cathers
Chambers
Charlton
Churchill
Clancy
Coates
Comtois
Cooper
Creaghan
Crouse
Danforth
Deschambault
Diefenbaker
Dinsdale
Doucett
Drouin
Dubois
English
Fane
Fleming (Eglinton)
Flemming (Royal)
Forbes
Fournier
Fulton
Gillet
Green
Grenier
Grills
Gundlock
Hales
Halpenny
Hamilton (Notre Dame de Grace)
Hamilton (Qu'Appelle)
Hamilton (York West)
Harkness
Henderson
Hicks
Hodgson
Horner (Acadia)
Horner (Jasper-Edson)
Horner (The Battlefords)
Jones
Jorgenson
Jung
Keays
Kennedy
Korchinski
Lahaye
Lambert
Latour
Legere
Lennard
Macdonnell
MacEwan
MacInnis
MacLean (Queens)
MacLean (Winnipeg North Centre)
MacLellan
McFarlane
McGee
McGrath
McGregor
McIntosh
McLennan
McQuillan
Mandziuk
Martineau
Matthews
Monteith (Perth)
Monteith (Verdun)
Morissette
Morris
Muir (Cape Breton North and Victoria)
Muir (Lisgar)
Nasserden
Nesbitt
Nowlan
Nugent
O'Hurley
O'Leary
Pallett
Parizeau
Pascoe
Paul
Payne
Phillips
Rapp
Regnier
Ricard
Richard (Kamouraska)
Robinson
Rogers
Rompre
Simpson
Skoreyko
Smallwood
Smith (Calgary South)
Smith (Lincoln)
Smith (Simcoe North)
Speakman
Spencer
Starr
Stefanson
Stewart
Tassé
Thomas
Thrasher
Villeneuve
Vivian
Walker
Webb
Weichel
Winkler
Wratten—127.

NAYS

Messrs:

Argue
Badanai
Benidickson
Boivin
Bourque
Caron
Carter
Chevrier
Clermont
Crestohl
Denis
Deschatelets
Dumas
Eudes
Garland
Hellyer
Lafreniere
LaMarsh, Miss
Leduc
Lessard
McIlraith
McMillan
McWilliam
Martin (Essex East)
Matheson
Meunier
Mitchell
Nixon
Pitman
Ratelle
Regier
Richard (Ottawa East)
Robichaud
Tucker—34.

Mr. Speaker: I declare the motion carried.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, if the house will agree to revert to motions I should like to make a statement regarding the bill on class or kind. A question was asked the other day in this regard. If the house would agree, I could now make a statement on the matter.

Mr. Speaker: I would ask the Prime Minister to bear with me just a moment until I get an order about the committee stage of this bill. When shall the said bill be referred to committee of the whole? Next sitting of the house; agreed?

Some hon. Members: Agreed.

Mr. Speaker: Has the Prime Minister leave to revert to motions?

Some hon. Members: Agreed.

Mr. Diefenbaker: I thank the house for its courtesy.

BUSINESS OF THE HOUSE

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, item No. 1 on the orders of the day reads as follows:

> Consideration of a message from the Senate insisting upon its amendment to Bill C-72, an act to amend the Customs Tariff.

On July 6, as reported at page 7626 of *Hansard*, I stated the view of the government with regard to this matter in these words:

> We shall not, as the Minister of Finance has said, accept the authority or right of the Senate to make this amendment. I hope the house will agree with that stand. The bill will be sent back to that body. If they choose to stand on what they have done this legislation, beneficial to the Canadian people, legislation that has universally been requested, can only pass out of existence, for we on our side will not accept the amendment.

The house overwhelmingly endorsed this stand in voting on the motion made by the Minister of Finance (Mr. Fleming) to this effect. In the circumstances I see no need of reiterating the arguments that were clearly set forth at that time. Those in the Senate who have insisted on asserting that which we regard, on the basis of constitutional practice, as an untenable constitutional position must accept responsibility for the economic consequences of their action—

Mr. Hellyer: Because of the bill of rights.

Mr. Diefenbaker: And they must accept the blame for the thousands of jobs which, because of the action they have taken, will remain uncreated.

Hon. Lionel Chevrier (Laurier): Mr. Speaker, I would remind the house first of all that the Prime Minister (Mr. Diefenbaker) asked for leave to revert to motions, to which we agreed. This was not the kind of statement that is ordinarily made on motions but is a statement which is made under other circumstances. However, in the light of the importance of the statement I do not think I should say anything at this time.

Some hon. Members: Oh, oh.

Mr. Hazen Argue (Assiniboia): Mr. Speaker, this is a strange attitude for the Prime Minister (Mr. Diefenbaker) to take after having threatened the Senate earlier this year and having led the nation to believe that a particular course would be followed in the eventuality that the Senate insisted on its amendment.

Mr. Speakman: Irresponsible.

Mr. Argue: While the other place has taken this action, we can only say that we feel it is right that Canadians should have the right to appeal from a minister's decision. We think that the government itself is unable to slough off the responsibility for unemployment on the Senate—

Some hon. Members: Oh, oh.

Mr. Argue: —even though the Prime Minister has tried to do that.

Mr. Benidickson: Passing the buck to the Senate.

Mr. Speakman: An irresponsible statement from an irresponsible source.

PRIVATE BILLS

THE EQUITABLE GENERAL INSURANCE COMPANY

Mr. Robert Lafreniere (Quebec-Montmorency): Mr. Speaker, I rise to bring before the house Bill No. S-30 which is a bill to incorporate the Equitable General Insurance Company. I admit the bill has arrived late from the other place, but since this session might be prorogued at any moment may I ask that with unanimous consent we pass now to the second reading of this measure?

Hon. Lionel Chevrier (Laurier): I have looked at this bill. It is the usual kind of bill which would be brought forward in the circumstances had it been introduced in this house first rather than in the other place. If it is the intention of the hon. member to get second reading only, there would be no objection from this side. If, having got second reading, he wishes to go into the committee of the whole on the measure, I think, since it is now 6.15 or almost that, that we should leave the subject matter over until tomorrow when I feel sure in the light of the terms of the bill that there would be no objection from this side of the house.

Mr. Hazen Argue (Assiniboia): I believe the position taken by the hon. member for Laurier is a sound one. I believe this bill has been recommended by the superintendent of insurance, so we have no objection at all to the contents, and I think the procedure which has been suggested is satisfactory to us.

Mr. Speaker: I take it, then, that the house is willing to accede to the request of the hon. member for Quebec-Montmorency and to read this bill the second time, waiving the rule which stands in the way of having it then referred to committee, and that it be proceeded with tomorrow.

Mr. Benidickson: Will it not appear on the order paper tomorrow?

Mr. Speaker: The bill must go before the committee on banking and commerce unless, of course, the rule is suspended.

Mr. Chevrier: Could we not dispose of it in this manner? The bill might be read the second time and tomorrow we shall deal with it in committee of the whole. We wish to assist the hon. member in connection with this measure. I understand there has been some discussion on it in the Senate and that it has been approved. However, I do not think we should spend another 10 or 15 minutes in committee of the whole on the measure at this time, though there would be no objection to proceeding with it tomorrow in committee of the whole if that is the wish of the hon. member.

Mr. Lafreniere moved the second reading of the bill.

Motion agreed to and bill read the second time.

Mr. Speaker: Under standing order 105, the said bill stands referred to the special committee on banking and commerce.

Mr. Churchill: To the committee of the whole house, I think.

Mr. Benidickson: We were prepared to go a step further than that for the assistance of the hon. member, by unanimous consent.

Mr. Speaker: Is it the pleasure of the house, then, that the rule with regard to reference to the committee on banking and commerce be suspended and that this item be ordered for consideration tomorrow by the committee of the whole house?

Some hon. Members: Agreed.

Business of the House

BUSINESS OF THE HOUSE

Mr. Churchill: The business for tomorrow will be a continuation of what has already been outlined—a continuation of consideration of Bill No. C-122 and of the estimates of the Department of Finance and of Transport.

It being 16 minutes after six o'clock the house adjourned, without question put, pursuant to standing order.

HOUSE OF COMMONS

Thursday, September 28, 1961

The house met at 11 a.m.

HOUSE OF COMMONS

PRESENCE IN GALLERY OF NIGERIAN MINISTER OF DEFENCE

Hon. D. S. Harkness (Minister of National Defence): By leave of the house, may I be permitted to refer to the presence in the gallery of the Nigerian minister of defence and deputy prime minister Alhji, the Hon. Mohammadu Ribadu. Mr. Ribadu has been visiting Canada during the last few days, and I and other members of the government have had the opportunity and pleasure of meeting this distinguished representative of a commonwealth country which has only recently achieved independence.

Mr. Ribadu has given many years of service to the welfare of the people of Nigeria. Following his appointment in 1951 as northern region minister, he joined the federal government in 1954, being in turn minister of lands, mines and power; minister of Lagos affairs and, since independence, minister of defence. This is his first visit to Canada since assuming his important office, and on behalf of all hon. members I should like to extend him a warm welcome.

Hon. Paul Martin (Essex East): Mr. Speaker, the acting leader of this party has suggested that in the absence of the hon. member for Trinity I might join with the Minister of National Defence in extending a sincere welcome to the minister of national defence from Nigeria. The words of welcome which the minister has used are words with which we would want strongly to be associated.

This is not the first visit that we have had in recent months from a distinguished member of the government of Nigeria. This, I believe, is the second occasion within the course of the last few months when we have been honoured with a visit to this country by a member of the government of that country. This affords us an opportunity to say to this representative of Nigeria how honoured we are to have him in our House of Commons and how pleased we are to be joined with Nigeria in the pursuit of great objectives, which we sincerely trust will lead to peace among the nations.

Mr. Hazen Argue (Assiniboia): Mr. Speaker, I should like to be associated with the welcome expressed to our distinguished international guest who sits in the gallery. I think Nigeria personifies the hope of the commonwealth for the future. We are confident that Nigeria will play an important role in the days ahead in strengthening the commonwealth and assisting like nations of the world to strengthen freedom and peace.

NUCLEAR ENERGY

FURTHER STATEMENT ON FALL-OUT RESULTING FROM RECENT TESTS

Hon. J. W. Monteith (Minister of National Health and Welfare): Mr. Speaker, I have some further figures on fall-out that I would like to have tabled, with the permission of the house. These cover the period September 11-17 and represent final results for that week.

It will be noted that there are differences as compared with the preliminary figures I gave the house on Wednesday, September 20. Such differences are to be expected and result from the fact that a first reading is merely indicative of the general range of levels whereas subsequent readings over a period of a week or so afford a more accurate result.

As to the significance for health of these latest readings, I would simply repeat what I have said in previous statements to the house. In our judgment the levels so far recorded do not represent an immediate threat to health. At the same time, we feel that if very high levels were maintained over a long period of time, a threat to health might very well result.

Hon. Paul Martin (Essex East): Mr. Speaker, we thank the minister for his further report. We hope the Secretary of State for External Affairs has been able to transmit these readings to the United Nations, and trust that as a result of such transmittal some progress will be made in the effort to arrive at a test ban on nuclear weapons.

Mr. Speaker: Has the minister permission to table the statement containing the figures to which he referred?

Some hon. Members: Agreed.

Inquiries of the Ministry

COMMONWEALTH RELATIONS

WEST INDIES—STATUS OF TECHNICAL ASSISTANCE PROGRAM

On the orders of the day:

Hon. Lionel Chevrier (Laurier): Mr. Speaker, may I direct a question to the Secretary of State for External Affairs. In the light of the decision made by the island of Jamaica to withdraw from the West Indies federation, will this affect the technical assistance program provided for in the estimates of the minister's department?

Hon. Howard C. Green (Secretary of State for External Affairs): Mr. Speaker, the five year assistance program for the West Indies in the amount of $10 million was announced some time ago and was to begin in the fiscal year 1958-59. Each year since then, including the present session, parliament has appropriated funds for an item which is described in these words, "Canada-West Indies assistance program". Since those moneys have been voted for assistance to an area and not to specific countries, the withdrawal of Jamaica from the federation would not affect our program.

As of this date about $2.45 million of the $10 million total remains unspent, although $1.1 million of that amount is earmarked for projects which have already been approved. It is probable that most of the remaining $1.3 million will be spent for assistance to the smaller islands of the federation on projects now being discussed with the government of the federation.

The two ships supplied by Canada under this program were recently transferred to the central government, and they will remain the property of any continuing properly constituted central government in the West Indies. As in the case of all grants under Canadian external assistance programs, there were no strings attached to the gift of these two ships, and there would be nothing to prevent them from continuing to ply between Jamaica and the other islands in the area, if that were the wish of the central authorities.

Canada has undertaken no capital projects in Jamaica, and under our technical assistance program there are at present three teachers in that island.

TRADE

EUROPEAN COMMON MARKET—REPORTED STATEMENT BY SECRETARY OF STATE FOR EXTERNAL AFFAIRS

On the orders of the day:

Mr. Hazen Argue (Assiniboia): Mr. Speaker, I was about to ask the Secretary of State for External Affairs whether he would comment on a press dispatch of a speech he made in which he was reported as saying that the United States is crowding Britain to join the common market. In view of his rather serious accusation, can the minister give us a further explanation and say whether the Canadian government has discussed this question with the United States in the hope that the pressure would be removed.

Hon. Howard C. Green (Secretary of State for External Affairs): Mr. Speaker, I made an oration in Timmins on Tuesday evening. The air up there is rare and very beneficial. However, I think it affected the reporter more than it did me. I did not use the word "crowding" at all, though I see it is in quotation marks in the heading and also in the body of the dispatch. I was pointing out to the Canadian club that this question of the United Kingdom joining the common market involved not only trade and economic questions but also an extremely serious political question, namely whether the United Kingdom would become part of the new European amalgamation constituting a third great force similar to the standing of the United States and the Soviet union, and pointing out some of the results that might follow in the commonwealth if such a move were to take place. I did explain that the United States was in favour of the United Kingdom joining the common market for the reason that she hoped it would help to build up one big Europe, and also because they do not like the commonwealth preferences and would be very happy to see an end put to such preferences.

Mr. Argue: I wonder whether the minister would comment on that part of my question wherein I asked if the government had discussed with the United States the implications for Canada of Britain joining the common market, and whether Canada had asked the United States to modify some of the pressure.

Mr. Green: The views of the United States government on this or any other issue are their own views. If they feel this way about the United Kingdom entering the common market, that is for them to decide, and on questions of that kind I doubt that it would be proper for Canada to start making representations to the United States. They know very well how we feel about their views. We do not always agree with the views of the United States, and sometimes they do not agree with ours.

Mr. Argue: Maybe you should tell them in Washington instead of Timmins.

Mr. Green: Maybe we have.

Hon. Paul Martin (Essex East): I should like to ask the Secretary of State for External Affairs a supplementary question. Was he correctly reported when the dispatch went on to say that the minister observed that one of the objectives the United States had in support of the common market was that it regarded the latter organization as an effective way of resisting potential economic aggression from the Soviet union?

Mr. Green: Mr. Speaker, the hon. member for Essex East is a good deal worse than the reporter. He has added a lot of words to those found in the newspaper dispatch.

PUBLIC BUILDINGS

PORTLAND—INQUIRY AS TO POST OFFICE SITE

On the orders of the day:

Mr. G. J. McIlraith (Ottawa West): Mr. Speaker, I should like to direct a question to the Minister of Public Works. I regret that I have not been able to give him notice, and if he does not have the information perhaps he can treat this as notice. Has the government yet decided upon a site for the new post office at Portland?

Hon. D. J. Walker (Minister of Public Works): I will be very happy to accept that question as notice.

COMBINES

FEDERAL POLICY RESPECTING MERGERS

On the orders of the day:

Mr. A. R. Webster (St. Antoine-Westmount): Mr. Speaker, I should like to direct a question to the Acting Minister of Justice. There is an article in the Montreal *Gazette* this morning on the problem of mergers which leads one to believe that the Department of Justice has changed its policy in this respect following a meeting of the productivity council. Would the minister care to comment?

Hon. D. J. Walker (Acting Minister of Justice): In reply to the hon. member for St. Antoine-Westmount may I say that I have had the opportunity of reading the article referred to, and I wish to point out that there is no change in policy or a new policy as the article would lead one to believe. In a speech delivered to the Canadian Manufacturers' Association on January 10, 1961, the Minister of Justice invited manufacturers and exporters to submit their ideas to the director of the branch. He said:

> My director under the combines act has stated publicly on several occasions that he believes that as a director he should be available to individuals and representatives of industry who wish to discuss their problems with respect to the application of the anti-combines legislation. While, of course, he cannot become a sort of government uncle to anyone who seeks to avoid prosecution, and while he cannot take the part of private solicitor, he can, and I know he will, describe to anyone interested how he views the application of the legislation to any projected set of circumstances so that those who may come to see him can apply his general indication to their particular case or plans.

From this three points should be retained. First, this is not a new policy. Second, it must be remembered that the director can only apply the law and assess the legality of a project.

Mr. Chevrier: Order.

Mr. Walker: Third, and finally, the industry—

Mr. Chevrier: Mr. Speaker—

Mr. Walker: —with a few exceptions, has not taken advantage of the invitation.

Mr. Chevrier: —I rise on a point of order.

Mr. Walker: My reply is finished.

Mr. Chevrier: Yesterday I posed a question to the Minister of Trade and Commerce which had to do with this very matter. It arose out of an article which appeared in the Montreal *Gazette*, and Your Honour prevented me from pursuing the question further. Now the Minister of Public Works rises and reads a long statement, which is contrary to the rules of the house.

Mr. Speaker: I recall that yesterday the hon. member did seek to raise a question about the policies respecting administration of the combines act, but in my view what he was asking for then was a comment on the opinion expressed in an article in general terms. The question which was asked today was a precise one and I therefore allowed it to go. I agree with the hon. member that the answer has been rather more extended than is necessary to indicate simply that there has been no change in policy. It amounts to a statement, and if the hon. member for Laurier wishes to ask a supplementary question or to comment on the statement, I would not object.

(Translation):

PUBLIC SERVICE

PAID HOLIDAYS FOR PART-TIME EMPLOYEES

On the orders of the day:

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, yesterday, on the orders of the day, the hon. member for St. Denis put a question concerning part-time government employees.

Inquiries of the Ministry

Since the Secretary of State is unavoidably absent, I shall answer this question in his place.

Under the present system, part-time or seasonal employees are granted leave with pay like the regular employees. However, those who work part-time get only half the pay they would have earned if the holiday had been a working day.

Mr. Azellus Denis (St. Denis): Mr. Speaker, I should like to observe that my question had no reference to statutory leave but rather to the annual leave that permanent civil servants are entitled to, for instance, two weeks each year. I was thinking in particular of post office employees—

An hon. Member: Order. Question.

Mr. Denis: —who work only four hours a day, year in year out, and who never get annual leave. I was referring to holidays, not statutory leave like on Christmas, New Years, Easter, etc.; I mean the annual leave to which full-time civil servants are entitled.

Mr. Balcer: Mr. Speaker, in view of the explanation given by the hon. member for St. Denis, I will pass on this new question to my colleague immediately on his return.

(Text):

AGRICULTURE

BUTTER—INQUIRY AS TO ACTION TO DISPOSE OF SURPLUS

On the orders of the day:

Mr. Hazen Argue (Assiniboia): In view of the statements that are being made by certain commercial interests having to do with the manufacture of butter, that butter prices should be reduced, I wonder if the Minister of Agriculture could inform the house what steps the government has taken to dispose of the very large surplus of butter that now overhangs the market.

Hon. Alvin Hamilton (Minister of Agriculture): Mr. Speaker, naturally with the surplus of butter on hand the government would follow a course of trying to ascertain what it could do to put this butter into circulation without destroying the market for the producers of butter. There have been stories in the press about the various efforts we have been making to distribute this butter surplus, but no announcement has yet been made by the government. Until such a decision is made, there will not be any announcement.

[Mr. Balcer.]

BUSINESS OF THE HOUSE

CONSIDERATION OF BILL NO. S-30 LATER THIS DAY

Mr. Speaker: If the house will permit, before the first order is called may I inquire what is the intention of the house with respect to an order made yesterday that private Bill S-30 be considered today in committee of the whole? Perhaps the house leader has a suggestion to make, since there is no time allotted for private bills today, yet the house has ordered that the item be considered. It is a question of deciding now when it will be taken.

Hon. Gordon Churchill (Minister of Veterans Affairs): I would think later in the day. If a debate on a private bill were interposed now it would upset the normal process with regard to government business. I think by arrangement we can get it before the house later today.

Mr. Speaker: Perhaps the house leader and others could agree as to what time it will be taken.

DOMINION-PROVINCIAL RELATIONS

AGREEMENTS RESPECTING TAX COLLECTION, ANNUAL GRANTS, ETC.

Hon. Donald M. Fleming (Minister of Finance) moved that the house go into committee to consider Bill No. C-122, to authorize the Minister of Finance to make payments to the governments of the provinces and to authorize the government of Canada to enter into tax collection agreements with the governments of the provinces.

Motion agreed to and the house went into committee, Mr. Chown in the chair.

On clause 1—*Short title.*

The Deputy Chairman: Shall clause 1 carry?

Mr. Fleming (Eglinton): Mr. Chairman, there is one matter which I had thought was not relevant to the measure under consideration, but reference has been made to it in the course of the debate and some attention has been paid to the matter in comment outside the house. This concerns the subject of federal university grants. Perhaps I should say a word about this in the hope of clarifying the subject, because the present bill does not change the existing situation in that regard.

Federal grants to universities from their outset had been on an annual basis, until two years ago. They were simply provided by an item in the estimates each year; they had no continuing effect otherwise. In the 1960 session steps were taken by the government to introduce a measure to put the

university grants on a statutory basis for the two remaining years of the present five year period under the Federal-Provincial Tax-Sharing Arrangements Act. Therefore the provision made under existing legislation for the payment of university grants continues to March 31, 1962, and any provision of university grants from federal sources beyond that date will require a new provision of supply for the purpose by parliament.

The bill now before the committee does not touch on that question. I want to make that very clear. It will remain for the next session of parliament to make whatever provision is to be made in regard to federal grants to universities for the period commencing April 1, 1962, whether it be for one year or more.

Mr. Chairman, in case a question exists in the mind of any hon. member as to why this subject of university grants and the tax arrangements introduced in regard thereto in the 1960 session have not been carried forward into the present bill, let me endeavour to clarify that matter. After long years during which the universities of one province received no benefit from the federal grants to universities, the federal government and the government of the province of Quebec a year and a half ago arrived at terms of understanding so that a way could be found under which these benefits would no longer be enjoyed by the universities of only nine provinces and no benefit accrue therefrom to one province which pays a quarter of the federal taxes of this country and has one third of the university students of Canada. Legislation was accordingly introduced and was passed by this house. It is to be found in the 1960 statutes, chapter 13, clause 2.

Without delaying the committee by reviewing the details of that enactment, let me simply remind the committee that it made it possible for any province which chooses to be a prescribed province under this legislation, and which provides by special grants comparable aid to the universities of its province, to obtain for the federal corporate taxpayers in that province an additional abatement of 1 per cent on the corporation tax. With regard to the federal corporate taxpayers in other provinces—that is to say, provinces whose universities receive the benefit of the federal university grants—the abatement in respect of corporate tax is 9 per cent, and that rate in the case of a prescribed province was advanced to 10 per cent.

In the course of the discussion I gave the house figures to show the relationship between the 1 per cent abatement on corporation tax compared with the federal university grants accruing in any province, and provision was made in that legislation—

Mr. Pickersgill: Mr. Chairman, I wonder whether the minister would permit me to raise a point of order, not in a contentious spirit. The minister pointed out in beginning his remarks that he was talking about something that was not in the present bill—

An hon. Member: Don't you want to hear it?

Mr. Pickersgill: I merely like to observe the rules. If we are to have a debate on this subject, that is fine. If we are to obey the rules of the house and debate the bill that is before us, I have no objection to the minister stating what the future intentions of the government are with respect to this matter. However, I think it is rather an abuse of the privileges of hon. members for him to be going over the explanation of what happened in the past. We were all here when that took place, and we are quite familiar with what happened—

(Translation):

Mr. Tremblay: Ask Mr. Lesage—

(Text):

Mr. Pickersgill: —and if the minister would like to take advantage—

(Translation):

Mr. Tremblay: Ask Mr. Lesage—

(Text):

Mr. Pickersgill: —of this opportunity I have not the slightest objection; in fact I would be most anxious to hear any advance indication of the government's intentions with respect to what they are going to do in the future. But I do not think we ought to enter into a debate about something that was done a couple of years ago.

Mr. Argue: On the point of order, Mr. Chairman, I should like to support the remarks of the hon. member for Bonavista-Twillingate. I think it is the mood of the house that this, the longest session in parliamentary history, should be wound up at an early time, either today or tomorrow. I think it would be an error on the part of the Minister of Finance if he should insist upon being out of order just to generate a debate on the government's policy toward university grants.

Mr. Fleming (Eglinton): Mr. Chairman, you will recall the words with which I introduced my remarks on this subject. This subject was referred to in the debate on second reading—

Mr. Argue: That does not make it in order.

Mr. Fleming (Eglinton): —and no objection was taken to the reference to it. To my surprise that intervention has evidently

attracted not a little attention outside the house; I am speaking of both press and radio. I agree with the hon. member for Bonavista-Twillingate, and I made it quite clear in my opening remarks that I thought that subject was not raised by the bill. The bill does not make provision for it, but some question was raised as to why provision was not made in the bill in relation thereto.

Perhaps my remarks are really related to a point of order with regard to relevancy. I was simply explaining why that subject is, in my respectful submission, outside the scope of this legislation. I am giving an explanation of why in this particular legislation the subject of the university grants is not involved. It is covered by other legislation, and this matter must be dealt with at some time with respect to the new fiscal year commencing April 1, 1962. Far be it from me to wish to generate a debate on this question. I am emphasizing my view that the subject was extraneous to the bill in the first place.

As to the intention of the government, I shall content myself with the previous statement made in this regard. There will, of course, have to be legislation on this subject at the next session. It would be premature for me to indicate now what the government will propose in relation to university grants. Certain it is that whatever is proposed in that regard will take due note of, and make proper provision for, the situation in relation to any province whose universities do not receive the benefit of the university grants. This is what was done in 1960 in the legislation of that time, and no person need have any doubt whatever as to the will and intention of the government in this regard. We indicated clearly at that time that we cannot support the continuation of a situation—

Mr. Pickersgill: The minister is going back to history again.

Mr. Fleming (Eglinton): —in which the benefits of that legislation were enjoyed by only nine provinces while the taxes were paid by ten. That continues to be the position of the government. I hope this subject can be dismissed with this clear assurrance that in any provision which parliament is asked to make with regard to these grants, parliament will be asked to make provision for any province whose universities do not choose to receive these grants directly. I draw attention to the letter written by the Prime Minister to the premier of Quebec inviting a statement of his views and wishes in this regard.

Mr. Pickersgill: I do not intend to enter now upon the discussion of this subject, apart from making one observation. The minister will recall that at the time this measure was brought in as an amendment to this legislation, that was the view which we took. We took the view that this was an extraneous subject and that there should have been legislation dealing exclusively with university grants. Notwithstanding all this information, that is still our view and I am glad the minister shares it.

Mr. Fleming (Eglinton): If the hon. member would permit me I should like to make it clear—

Mr. Pickersgill: It is very hard to understand the hon. gentleman. He is the most misunderstood man in Canada.

Mr. Fleming (Eglinton): I thought we were trying to clarify the situation. Whatever provision is made, accompanying legislation will be required. If the arrangement takes a form similar to that of 1960, obviously there must be provision in the Income Tax Act. It will depend on the form the proposed solution takes.

Mr. Pickersgill: Of course it will. That is what I was saying. I did not misunderstand at all. The minister has become so accustomed to being misunderstood that even when he is clearly understood he still thinks he has been misunderstood. However, I do not intend to take any more time discussing what is not in the bill, because there is plenty in this bill which needs time spent on it during this committee stage.

I intend to avail myself of what I refer to as the Howard Green rule or convention in order to make several observations on this first clause about specific matters, not by way of general debate. I intend to refer to matters which were raised after I spoke in the debate which directly refer to things I had said. I want first of all to make a few observations about the speech which was made in his usual amiable and earnest manner by the Minister of Forestry. The minister said yesterday, as recorded at page 8992 of *Hansard*:

> I submit that great satisfaction was expressed by some premiers after the conference of last autumn.

I think it was not the conference of last autumn which the hon. gentleman had in mind but the conference held in February, because the conference last autumn brought a universal chorus of dispraise which, the minister may remember, was recorded in graphic form in the Toronto *Star*. Every premier was against what was proposed in October. I think the minister was just mistaken as to the date. It was the February conference he was referring to because of the conditions—

Mr. Flemming (Royal): Perhaps it was the conference in February.

Mr. Pickersgill: It was after the proposals were made which, substantially, are the ones in this bill which we are considering. It was not that $220 million freeze which was the first proposal made last October.

Mr. Fleming (Eglinton): It was not a proposal.

Mr. Pickersgill: It was not a proposal, it was a suggestion. I had forgotten. I am accustomed to plain language, and these euphemisms and hair splitting distinctions are something which a simple mind like my own finds it difficult to grasp. The difference between a suggestion and a proposal is the difference between telephoning a reporter saying "I don't like that story" and writing him a letter saying "Don't write that kind of story".

As I was saying, I believe the Minister of Forestry was referring to the February conference, and the hon. gentleman seems to agree.

Mr. Flemming (Royal): The important thing was, they were pleased.

Mr. Pickersgill: The hon. gentleman said, in fact:

> I suggest that the premier of Newfoundland was very well satisfied. I suggest he was very happy.

I think it is true that the premier of Newfoundland was exceedingly reassured to find that the government was going to recommend that parliament should vote for an additional five years the $8 million which was to go on indefinitely according to the McNair award and which ought to have been voted indefinitely in exactly the same way as the constitutional subsidies to other provinces. I am sure he was greatly relieved. However, I am sure he would have been a great deal happier if the proper course had been taken with regard to that matter and the payment had been treated like the other constitutional subsidies, as it should have been and as it will be when there is again a Liberal government.

I do not intend to say any more about that subject, because that is another subject which we on this side consider extraneous to this bill. It should have been dealt with once and for all in the proper manner after the McNair award was made. It so happened that under the arrangement which was proposed in February, apart from the constitutional aspect, the additional $10 million to the four Atlantic provinces was relatively attractive to Newfoundland as compared with some of the other provinces, and notably with New Brunswick. The point in the hon. member's speech to which I was going to refer particularly is found in the next sentence. As reported at page 8992 the hon. gentleman said:

> I do not know how the hon. member for Bonavista-Twillingate is going to justify the statements he made yesterday when he meets the premier of Newfoundland in Newfoundland.

I can tell the hon. gentleman how I am going to justify them, and I shall do so in his own words. Speaking for himself the hon. gentleman said, as reported at page 8995:

> I try to reconcile my duties as a member of the central government with my loyalties to the province that I have the honour to represent.

I am not a member of the central government, but I am a member of the parliament of Canada. In the very felicitous phrase of the hon. gentleman I try also to reconcile my duties as a member of the central parliament with my loyalties to the province I have the honour to represent, and I find no difficulty whatever in doing that.

Mr. Smallwood is the premier of a province, and the hon. member for Royal was premier of a province. When he was premier he recognized that it was his duty in his dealings with the government of Canada to represent the interests of that province. He did not do so against the interests of Canada, but it was not part of his duty to consider the general interest of Canada, which was the duty of the government of Canada and of the parliament of Canada. The same situation still applies to the premier of Newfoundland. When he comes here to a federal-provincial conference he does not come to solve the nation's problems but to look after the interests of Newfoundland, as he properly should.

I was elected just as the hon. member for Royal, the Minister of Forestry, was elected as a member of the parliament of Canada to represent an important constituency, but also to act in the interests of all the people of Canada. I am sure the hon. gentleman does not disagree with me in the least. It is not because of any aspect of this matter relating especially to Newfoundland but because it seems to me that this bill as it now stands is not in the national interest that I feel it is my duty to oppose it. For that reason I am opposing it. If the hon. member for Royal thinks it is in the national interest and that he should support it for that reason, I do not quarrel with that view. We just happen to differ about the bill itself.

The hon. gentleman also made some reference to the extraordinary increase in the amounts paid to Newfoundland at a particular time, and to the fact that the amount was over $40 million in one year and went down, I think, to $37 million. These distortions result from the fact that the $8 million McNair

award was included in the statistical table. Other distortions would have been apparent if the constitutional payments to the other provinces had been included, too. My point is simply that these amounts should not be included.

The hon. gentleman also suggested, although he was rather careful to correct it at the bottom of page 8893, that all he got as premier of New Brunswick from the legislation of 1956 was courtesy. Well, the courtesy in that particular instance was $5 million by way of an additional payment to the province of New Brunswick. It has been the tendency, and the hon. gentleman is too honest not to admit it, as he did when he was confronted with it—

Mr. Flemming (Royal): I was not confronted with it. I gave it voluntarily.

Mr. Pickersgill: The hon. gentleman did give it voluntarily, as I think he would always do in these matters. I would never suspect the hon. member for Royal of deliberately distorting anything. I suppose, like the rest of us, he would put the more favourable features in the front and try to keep the less favourable ones in the back, and I would not criticize him for that either. From that point of view I think the observation I am going to make is just as relevant, and that is, as I even got the Minister of Finance to admit once in an incautious moment, that under the proposals embodied in the Federal-Provincial Tax-Sharing Arrangements Act of 1956 that came into effect on April 1, 1957, the increase in payments and advantages to the provinces was something in the order of $100 million in the very first year of the new arrangement. I use the word "advantages" because in the case of some of the provinces it was merely a matter of withdrawing from the field and letting the province collect the tax itself. Therefore, as I say, the increase in payments and advantages added together was approximately $100 million in the very first year.

According to the tables the minister himself has put before us, all the additions that have been made including those in this bill will, in the first year under this new arrangement, not reach the amount of Mr. Harris' increases in one single measure. When we hear about the new era and the great generosity of the present government, this must be borne in mind. This is a hard fact shown in the minister's own statistics. In other words, what was done by the St. Laurent government in 1956 for all the provinces of Canada in the aggregate was to increase the payments or advantages to them by approximately $100 million in the first year. That has increased since; the result has had an increment in every year since that time.

What hon. gentlemen opposite did in 1958 and what they are proposing now to do, which as I pointed out is in essence merely for Ontario, when you take out the pluses and minuses in the other provinces, will be still less in the first year that the Liberal increase between 1956 and 1957.

Mr. Fleming (Eglinton): No, no.

Mr. Pickersgill: If the minister is able successfully to refute that statement he will have an opportunity to do so.

Mr. Fleming (Eglinton): I invite the hon. gentleman to look at page 7927. He has said that the increase that was provided in 1958 and the increase now provided by this government do not equal the increase in 1957 over the previous time, but he has an opportunity of comparing this with the first year of the new five year period by examining the table to be found at page 7927 of *Hansard*, which shows very clearly that the increase for the next fiscal year will be $128 million.

Mr. Pickersgill: But the minister is forgetting that in order to achieve that increase he has to stick with Mr. Harris' formula for three provinces, Quebec, Manitoba and Saskatchewan, because his own new formula would have such a bad effect on those provinces that he could hardly take something that would not even work in the case of those provinces.

Mr. Fleming (Eglinton): That is only part of the new formula.

Mr. Pickersgill: But even on the minister's own figures all he has achieved in the four years he has been in office is to provide $118 million, of which $18 million goes to Ontario under this bill. Mr. Harris in one measure in 1956 which came into effect in 1957 increased the payments by $100 million. The minister is well aware that in the propaganda literature that is spread across the country by his party they always give the figure for 1956-57 instead of 1957-58 so as to give the false impression that everything that was done in the last budget of the Liberal government was done by the present administration.

Mr. Fleming (Eglinton): Oh, no.

Mr. Pickersgill: I do not think the hon. member for Royal has had any part in preparing that kind of fallacious propaganda. It has been exposed a number of times in this house but it continues to circulate throughout the country and is, I must say, rather like other forms of inflation indulged in by some members of the government.

I wish now to turn to one or two things which were said yesterday afternoon by the Prime Minister. I am sure the Minister of Finance must have trembled when the Prime Minister ventured into the field of arithmetic; because while the minister has a little difficulty in adding, the Prime Minister never adds but always multiplies and some of the results he achieved by his multiplication are really fantastic.

Of course it would take far too long to correct all the arithmetical errors in the Prime Minister's speech of yesterday, and it would be profitless because undoubtedly he would just make another speech in which astounding errors would be made. I do not want anyone to think I am suggesting anything in saying this except that the Prime Minister is not interested in details; he is interested in the broad picture, but even his broad picture sometimes gets a little out of focus, and it certainly did yesterday. At page 9004 of *Hansard* the Prime Minister is reported as having said:

> We consider that the present system, based on the three standard tax rates and equalization to the average of the two top provinces, is neither logical nor practical.

Now, that is the right hon. gentleman on September 27, 1961, but I think the house ought to recall what the Prime Minister said on July 25, 1960. He said:

> I want to make this abundantly clear on behalf of the dominion government that whatever the ultimate decision may be the principle of equalization must be preserved.
>
> Equalization, the second component, is a payment by Canada to the provinces to bring the per capita return from the three taxes at standard rates up to the average per capita yield in the two provinces in which per capita yield is highest.

On September 27 he said:

> We consider that the present system, based on the three standard tax rates and equalization to the average of the two top provinces, is neither logical nor practical.

Well, now, if that was the view of the Prime Minister why did he not say so on July 25 instead of giving this pledge, which he gave then and which was echoed by the Minister of Finance, to maintain the equalization on the basis on which the Prime Minister then defined it? Here is what the Minister of Finance had to say about equalization at that time. This is at page 112 of the proceedings of the dominion-provincial conference of 1960.

Mr. Fleming (Eglinton): There is a difference between formula and principle.

Mr. Pickersgill: The Prime Minister gave the principle here. The formula is surely the number of points to which you equalize, but the principle is the basis of the equalization, and the basis of the equalization was clearly and unmistakably defined by the Prime Minister on July 25, 1960. I do not think there is any doubt that at that time the government did intend to carry on with that principle. Something happened afterwards to change it, but let us see what the Minister of Finance had to say at that conference. This is at page 112. He said:

> I think all of us were delighted to hear the virtually unanimous expressions of opinion in favour of a principle of equalization, upon which the Prime Minister made such a clear and forceful statement yesterday. I simply remind the conference that the equalization payments, whatever they may be, will not come from any joint proceeds earned from taxes jointly collected, but will come from the federal treasury, and it is evident that there are requests for increases in the equalization payments.

There was no request for a change in the principle or for a change in the formula.

Mr. Fleming (Eglinton): There were requests for changes in the formula.

Mr. Pickersgill: But not in the principle.

Mr. Fleming (Eglinton): What you call the principle; I do not call it the principle.

Mr. Pickersgill: The principle is clearly defined by the Prime Minister, and I repeat it because it seems very hard to penetrate the mind of the minister. I read from page 10 of the proceedings:

> Equalization, the second component, is a payment by Canada to the provinces to bring the per capita return from the three taxes at standard rates up to the average per capita yield in the two provinces in which per capita yield is highest.

That is the principle. It is the principle that the Prime Minister defined and pledged himself to carry out. It is the principle that the minister said—after the premiers had all spoken—the premiers accepted. It is true that Mr. Frost wanted a lot more points than he was getting. Some of the other provincial premiers were a little more modest, though they all wanted more; that is quite true. I believe Mr. Manning came along with his usual theory which is rather different from this.

As I recall the proceedings of that conference, which I have read with great care, and most of which I listened to, with the exception of Mr. Manning, I think there was no dissent whatsoever about the principle except the premier of Manitoba in particular said that it should be to the top province, not the top two. He said so again the other day in one of the letters printed as an appendix to *Hansard*. Of course the premier of Manitoba has had no choice but to accept the views of the Liberal party of Manitoba on this matter, and he has accepted them wholeheartedly because he knows they are the views

of the people of Manitoba. That is the root of my objection to this whole bill, and that is where I quarrel with the Minister of Forestry.

I say, and I said earlier, that when the Atlantic provinces grants were established we were told they were to be in addition to equalization, not in substitution for equalization, and in 1958 they were in addition to equalization. New Brunswick and Nova Scotia, Prince Edward Island and Newfoundland all got the same increment of equalization, the same three points that the minister talked about yesterday in his speech. They got that just as did all the other provinces, but they got this other in addition. What the government has done this time has been to change the principle of equalization for something which is not equalization at all but an averaging down of the poorer provinces. That is not equalization. Equalization means to make something equal, not to make it unequal, and the whole device here is to make the thing unequal. Because it was so unequal for the Atlantic provinces $10 million was added to the Atlantic provinces grants in substitution for, not in addition to, the equalization which they were losing by this new and disadvantageous formula.

That is the point. Now, it just so happened that that formula was much more disadvantageous to the province of New Brunswick than it was to the other three Atlantic provinces. It just so happened that it was and is, and that is what my hon. friend from Gloucester was complaining about; that is what the premier of the province is complaining about. In the light of the Prime Minister's pledge, it seems to me this is what every citizen of New Brunswick has a right to complain about. Every citizen of Manitoba has a right to complain about the deal that province has received compared with what the Prime Minister said in July would be the foundation of this whole system.

I could not argue against the additional $10 million for the Atlantic provinces grants. According to the minister's tables, the total payment is increased by $18 million, which is all to go to one province. That is all this bill does; it increases the payments by $18 million over what we are paying this year. It is true that British Columbia and Alberta lose absolutely, and what they lose the four Atlantic provinces gain. It just happens to add up to about the same amount. What I am saying is that the right thing to have done was to carry out the Prime Minister's pledge of July to increase the equalization on that basis which was fair to everybody, and which was genuine equalization. If the government felt that all it could afford was $18 million as an increase, that could be another $8 million distributed among the provinces when they felt the Atlantic provinces should have this $10 million. In other words, what should have been done was to keep the Atlantic provinces grants separate for the purpose for which they were established, the purpose which I have always supported, and the purpose which I have always given the government credit for; to meet the additional need that could not be met by equalization. It is surely prostituting them to use them as a substitute for equalization because you make the so-called equalization formula so bad.

That is the real trouble. It also makes it so unequal as between New Brunswick on the one hand and Nova Scotia and Newfoundland on the other, no one can help but feel that it is not just unless the previous system was not just. I do not think anyone would argue that New Brunswick was getting too much under the previous system; at least I would be very surprised if anyone would so argue.

That is the basic criticism that I have to make on clause 1. There are a couple of other things, of course, that the Prime Minister said which I do not think can really be overlooked. I will leave the question of Saskatchewan to others, beyond saying that Saskatchewan is apparently going to have to be content with the old system throughout the whole period.

That brings me to a point at which I should like to repeat my request of yesterday, which was echoed by the hon. member for Laurier; namely, that we should be given a projection over the whole five years of the old system and the new. We are being asked to pass what is in many ways the most important statute this parliament could possibly pass, and we are entitled to all the information available to the government to illuminate this matter. We are entitled to know just what the relationship of each province would be between a continuation of the present system and the substitution of the new system. Otherwise we cannot determine whether what we are doing is fair or not fair.

I cannot understand the reluctance of the government to do this. I do not know because I have seen such tables, but I have had enough experience in these matters to know perfectly well that they exist. Nobody is going to expect the end results to turn out to be exactly the same as the estimates in these tables. We are grown men and women. We all know these are estimates, but we are entitled to those estimates. This parliament, which is being asked to make a decision, is

entitled to the information on which the government made a decision to upset the principle of equalization which the Prime Minister promised and substitute this melange for it. I appeal again to the minister to let us have these tables.

The Prime Minister made this statement, as found on page 9907 of *Hansard*:

> The preservation and extension of the fundamental principles of freedom for provinces to tax as they see fit, of equalization based on broader determination of fiscal need and the fuller recognition of fiscal disabilities peculiar to the large eastern segment of Canada, will contribute to the financial strength and independence of the provinces and to equality of opportunity for Canadians throughout Canada.

All I want to say is that what this measure is going to do, as I am sure we will be able to show later in the committee, is to contribute to inequality throughout Canada rather than equality. I suggest that the minister show us any provision of the bill that gives any province more right to tax than it has now. I should like to see it. A great deal was made of that by the Prime Minister, and I suggest that we be given that information in black and white.

I believe I am finished except for one observation I wish to make with respect to the remarks of the Minister of Finance, which I had to read so hastily that I am not sure I have them clearly in my mind. I think the only thing I want to say anything about is the extraordinary argument that the minister made toward the end of his speech about what we would be doing in voting against this bill. He suggested that one would be voting against this or that benefit to this or that place, and that it was particularly ungracious of the members from the province of Newfoundland to vote against the bill.

I might remind the minister, whose memory in these matters is often a little short, that in the year 1956 he voted against a bill that increased the payments or financial advantages to the provincial treasuries of this country by $100 million. He voted against that bill, and I do not think anyone suggested at that time that in doing so he was hostile to such advantages as might come from that measure. He voted against it, according to him, because he was opposed to the principle of that bill, and he gave very strong arguments in his opposition to that principle. It would not be proper for me to enter into those arguments now, but I think they were accepted at that time in good faith.

It is, it seems to me, a kind of perversion to suggest, because a member believes a measure is bad and a better measure could be substituted for it and therefore votes against it, that this means that he is opposed to such advantages as there may be in the measure for certain sections of the country. After all, it is our duty here to make good laws. It is our duty to criticize defects in laws. If we think there is a fundamental defect in a law, as I think there is a fundamental defect in this law in the abandonment of the Prime Minister's pledge, in the abandonment of the real principle of equalization, surely it is our duty to vote against it. Although I am not taking exception because I know the Minister of Finance, I do not think we add to our debates by attributing other motives than those which exist.

(Translation):

Mr. Lafreniere: Mr. Chairman, I wish to thank the Minister of Finance (Mr. Fleming) for the statement he made a moment ago, namely that a special bill will be introduced with respect to university grants, and especially for stating that the government will take into account that certain provinces cannot accept direct grants from the federal government for education purposes.

I trust that the hopes I expressed yesterday when I spoke in the debate, will then become a reality.

Mr. Robichaud: In the course of his short contribution to the debate on the second reading of this bill, yesterday, the hon. member for Restigouche-Madawaska (Mr. Fournier) referred to the "howling" of some members during this debate.

According to *Larousse*, "howling" is the peculiar cry of wolves and dogs. I hope the hon. member had not in mind the speeches that were made yesterday, for instance, by the Minister of Forestry (Mr. Flemming), the Minister of Finance (Mr. Fleming) and the Prime Minister himself (Mr. Diefenbaker).

The hon. member also charged that I had cast insult on Acadians and French Canadians, because I ventured to make my speech in one of the two official languages of the country.

Mr. Chairman, I need not be ashamed of my attitude and patriotism, both in and out of this house; I am not ashamed of my mother tongue, but that will not prevent me from respecting, as I have always done, both official languages in this country.

In those fields, Mr. Chairman, I have no lesson to take from the hon. member for Restigouche-Madawaska. As a matter of fact, I hold in my hand copy of a speech made by the hon. member at the Star theatre of Edmundston on August 31, 1961. Unfortunately, the rules of the house do not permit me to put on record what the hon. member said in

that speech, which was a most violent charge against all Acadian patriotic organizations in the province of New Brunswick, including SONA which is launching a drive for funds in favour of national societies in Acadia.

(Text):

Now, Mr. Chairman, yesterday the Minister of Forestry said I could not give one project that the new provincial government had started and completed, and he challenged me to name one. The minister knew then that under the rules of this house I had no right to reply. The minister should also know that the present government of New Brunswick has only been in power for 15 months, and the type of project that is being undertaken by the present government will take more than 15 months to complete. If the rules in this connection would allow me to enumerate what has been done by the present government of New Brunswick in the short time it has been in office, I think the Minister of Forestry would have a reply to his challenge. May I mention in passing the abolition of hospital premiums which his government introduced, and which were abolished within a few days after the present government came into power.

In so far as new industries are concerned, the present government of New Brunswick has guaranteed more financial loans to new industry in New Brunswick in a period of 15 months than the previous government under the leadership of the Minister of Forestry did during its eight years in office.

I have one question I should like to ask the Minister of Finance. If he looks at table 3 on page 7927 of *Hansard* he will see that under the new formula New Brunswick will receive for the year 1962-63 approximately $36,265,000. Then if he looks back at page 7919 of *Hansard,* table 4, he will find that New Brunswick under the present formula will receive for the year 1961-62 the sum of $36,334,000. According to the figures which have been released by the Minister of Finance, therefore, under the new formula New Brunswick will receive $69,000 less in 1962-63 than it would under the old formula.

Mr. Fleming (Eglinton): The hon. member is comparing two different things, Mr. Chairman. If he will look at the table on page 7927 he will see that the amount of $36,265,000 is the provision under this bill in relation to standard taxes, whereas the table on page 7919 includes such other things as statutory subsidies, which in this present year amount to $1,754,000, and as well, the public utilities taxes which, in the present year, amount to $164,000. These sources of revenue are not included in the figure $36,265,000 for the fiscal year 1962-63 under this bill and indicated in the total on page 7927.

Mr. Robichaud: I thank the minister for the information.

Mr. Chevrier: Yesterday the Prime Minister in the course of his remarks made a great deal of the fact that the government claims this new proposal is a return to the spirit of the constitution, and that it gives to the provinces their complete rights in the field of direct taxation. Well, of course, we all know that is not so. I would not want to qualify it with the word "nonsense" that we often hear from the other side of the house, but that statement certainly is not a fact. The present system, which has been in existence since 1957, gives three options which were offered to the provinces. They could levy and collect their taxes at whatever rates they wished to determine, as in the case of one province. They could simply rent the three direct tax fields, or they could levy these taxes and the federal government was willing to collect, provided the provincial rates did not exceed the standard rates. Under the new system the rental option would cease to be available but the federal government would be willing to collect provincial taxes at any rates.

While this last change may be an improvement in certain rich provinces, it could hardly be described as a revolution or a return to the spirit of the constitution. It may well lead, as has been stated by several premiers who took part in this conference, to a return to the tax jungle of the thirties. However, to the extent that the provinces will have to depend on additional direct taxes without equalization for their financing, I have no hesitation in saying that great financial inequalities and great regional inequalities will take place across the country.

This leads me to ask the minister one or two questions. I think the government and the minister should state clearly and unequivocally what the province of Quebec will receive under this legislation as compared with the old scheme. Perhaps the minister might reply to that now in order that we may avoid repetition.

Mr. Fleming (Eglinton): In the interests of orderly procedure there are some things I wish to say in reply to the hon. member for Bonavista-Twillingate, and the hon. member for Laurier has just said some things I will have to comment upon, however briefly. I wonder which would contribute best to orderly procedure, Mr. Chairman; that I dispose of the questions and then deal in general terms with the remarks that have been made, or reverse the order? I had assumed the latter.

Mr. Chevrier: Then perhaps I can continue with the questions which I have and the minister can deal with them all when he gets to them. My first question was, what additional amount will Quebec receive under this scheme as compared with the old scheme? I think here I should repeat what the hon. member for Bonavista-Twillingate asked the minister yesterday and which I too interjected during the course of his remarks; namely, a request for a projection over the whole five years of this new legislation as compared with the old. I may be mistaken in this, but my understanding is that the province of Quebec will receive over the full five year period about $2.5 million more than before. The minister will correct my impression if it is wrong, and I should like to have on the record the exact amount. I should like also to have that projected under this scheme for the province of Quebec over the whole five year period. For instance, I would like to know what Quebec will receive under this legislation in every year from 1962 to 1966. Then I would like the same information for the province of Ontario. I would like to find out from the minister what the province of Ontario will receive under the new scheme for the first year. I made the statement yesterday that this would be $18 million, and if that is inaccurate the minister will probably comment on it. Then I think I should obtain the same information for Ontario during the period from 1962 to 1966.

The next question that I would direct to the minister is this. What are the changes included in this bill which will improve the right of the province of Quebec to levy and collect direct taxes? What is there here which gives Quebec greater constitutional freedom than it before? I hope the minister will answer these questions when he has disposed of the other matters that have been raised on clause 1.

Mr. Fleming (Eglinton): Mr. Chairman, perhaps it will contribute to orderly discussion if I review the points that have been raised this morning largely in the order in which they were put forward by hon. members opposite.

First of all, the hon. member for Bonavista-Twillingate invited the committee to compare the result of the legislation in 1957 in increasing the payments to the provinces in the preceding five year period with the increases brought about by the combined operation of the 1958 increases and those that will come into effect under this bill. Let me clarify this.

The table on page 7927 I think gives the complete answer as applied to the year about which the hon. member was speaking. He says, "Compare this in the first year with the new five year period", that is to say the next fiscal year, 1962-63, commencing April 1, 1962.

Mr. Pickersgill: Which table is that?

Mr. Fleming (Eglinton): It is table No. 3 on page 7927 of *Hansard*. This table shows this very clearly. The line at the bottom of the page gives the projection into 1962-63 of the formula that was legislated by parliament in 1956 under the Federal-Provincial Tax-Sharing Arrangements Act for the five-year period commencing April 1, 1957. If that formula had continued into the fiscal year 1962-63, the total paid to the provinces would be $771,936,000, according to the best estimate that can be made to date.

The effect of the combination of the 1958 changes and those provided for by this bill —because this bill carries forward and extends the increases that were made by the legislation of 1958 and later years—shows that on the same calculation for the same year, with the benefit of this bill and the changes it makes and continues, the total paid to the provinces is estimated to be $899,414,000. So the increase brought about is of the order of $128 million. I think the hon. member realizes now that the statement he was making in relation to the comparison does not hold water.

He is also overlooking the fact that this table is based upon the year 1962-63, in which year the federal withdrawal from the income tax field in favour of the provinces will be 16 per cent; that each succeeding year there is to be an increase of 1 per cent in the extent of the federal withdrawal until in the last of the five years the withdrawal will be 20 per cent. So I think the hon. member will realize now that his comparison and the conclusions he was drawing are quite unsound.

Next, Mr. Chairman, I cannot let pass his comment on the figures used by the Prime Minister yesterday without taking issue with it. He says the Prime Minister's arithmetic was not right, but he did not follow that up by taking issue with any figure at all.

Mr. Pickersgill: Mr. Chairman, the minister seems to forget this fact. I did not go into the Prime Minister's figures, but I did take one general statement about the figures, and I pointed out that when the Prime Minister said this government had done more than the previous government—before this bill, that is to say—that just does not happen to be so, as the minister's figures show. The increase that Mr. Harris made in 1957 was approximately $100 million and, as the minister's own figures show, if he continued his

own scheme it would not be until next year, not this year, that $100 million more would be given to the provinces. So the Prime Minister was quite wrong in what he said.

Mr. Fleming (Eglinton): No, Mr. Chairman, the Prime Minister was not wrong at all. The hon. gentleman has chosen to make broad, general assertions without supplying the evidence. The fact is that the benefit of the increases that have been made commencing in 1958, after the change of government, is as follows. Here I am confining my remarks to the increases brought about in the unconditional payments. The increase from 10 per cent to 13 per cent in the provincial share of the yield from personal income tax and the Atlantic provinces adjustment grants—

Mr. Pickersgill: And the grant to Newfoundland, which I do not admit should be in this at all.

Mr. Fleming (Eglinton): I set this out in my remarks of July 11, at page 7914 of *Hansard*. I said:

> In 1958-59 this increase was worth $55.9 million to the provinces, in 1959-60 $67.2 million, in 1960-61 $68.3 million, and the estimated value for 1961-62 is $72.6 million or a total of $262 million for the four years.

On the same page I also pointed out that the benefit of this progressive withdrawal of the federal government in favour of the provinces in the personal income tax field will result at the end of this coming five year period in—

Mr. Pickersgill: Mr. Chairman, the minister does not need to talk about the future. I was talking about the effect up to the present. All the minister is doing is confusing matters.

Mr. Fleming (Eglinton): Mr. Chairman, the minister is seeking to clarify the confused approach of the hon. member to the statements of the Prime Minister. The Prime Minister was speaking yesterday of the tremendous increases in the federal payments to the provinces. The Prime Minister drew the attention of the house to the very large increases in payments that had been made out of the federal treasury to the provinces, including the unconditional grants, conditional grants and payments for the benefit of provincial institutions.

Mr. Pickersgill: Not in the passage I am referring to.

Mr. Fleming (Eglinton): The payments he dwelt upon are set forth on page 7915 of *Hansard*. Without going over the ground again, the Prime Minister in this respect was drawing the attention of the house to the fact that the payments under these various headings for the benefit of the provinces in 1956-57 totalled $689,352,000; in 1957-58, $837,136,000, and in this present fiscal year these payments will total $1,470,139,000.

The next point put forward by the hon. member for Bonavista-Twillingate is one that the house has heard him refer to very frequently. I suppose if any subject is worn threadbare it must be this one. It is the subject to which the hon. member refers constantly. I refer to the subject of equalization and the remarks of the Prime Minister at the dominion-provincial conference in July, 1960. We have discussed this before. The interpretation the hon. member has put on the words of the Prime Minister is not the correct interpretation.

Mr. Pickersgill: I have never interpreted them; I have always read them.

Mr. Fleming (Eglinton): He comes back to it again and again. His interpretation, I say, as I have said so often, is not the correct interpretation, but as he has stated it again this morning I am obliged to set the record straight again. In his remarks which have been quoted by the hon. member from page 10 of the report of the dominion-provincial conference of July 25, 1960, relating to this question of equalization, the Prime Minister was placing himself and the government firmly on record in favour of the principle of equalization. The hon. member then goes on to identify the principle of equalization with the formula in the Federal-Provincial Tax-Sharing Arrangements Act by which the government of that day proposed to meet the problem of equalization.

Mr. Pickersgill: I did not do it. The Prime Minister did.

Mr. Fleming (Eglinton): We take issue with the hon. member as to the interpretation he places on the words of the Prime Minister. We say he is misinterpreting them. We have said that before. I suppose the hon. member will go on giving his interpretation to the house until kingdom come or until there is a change of representation. We, on the other hand, will continue to deny the interpretation he is putting on the words of the Prime Minister.

Mr. Pickersgill: On a question of privilege, I have never interpreted the Prime Minister's words. I have only read them. They speak for themselves. I am not surprised that the Prime Minister is sensitive, because he knows this is a repudiation.

Mr. Fleming (Eglinton): That last sentence is utterly false. There has been no repudiation at any time by the Prime Minister. The

hon. member says he reads the words of the Prime Minister, but he always goes on to put his own interpretation on them. I say it is not the correct interpretation, but the hon. member goes on doing it and will go on doing so, I suppose, as long as he is a member of this house. We, for our part, will go on correcting that interpretation as long as we are here.

The Prime Minister was talking about the principle of equalization. The government has taken a firm position in relation to the principle of equalization, and this bill provides a more effective formula for meeting the problems of equalization and fulfilling the government's views in recognizing the principle of equalization. Surely the principle of equalization is the principle that it is proper to draw on federal resources to seek to bring about the strengthening of the fiscal position of those provinces which by reason of geography and less plentiful natural resource development are in a weaker fiscal position than other provinces.

Now, it happens that the formula applicable from 1957 to 1962 under the Federal-Provincial Tax-Sharing Arrangements Act proposed to meet the problem of equalization by equalizing the yields from the three tax sources to the average of the two provinces with the highest yield. But there is nothing sacrosanct or immutable about that. That was not a question of principle. That was the particular method or formula which was applied. Those who heard the words of the Prime Minister on July 25, 1960 did not interpret them as meaning that the government was committed to the particular formula or method which was written into the Federal-Provincial Tax-Sharing Arrangements Act.

As a matter of fact the hon. member is altogether wrong in the interpretation he put on this subject, because the matter continued to be discussed at the conference and members of the conference asked for a revision of that formula. Of course they were asking for it in terms which would favour them. Naturally they wanted to see the formula changed so there would be equalization based on the province with the highest yield, not on the average of two or more.

I think I am safe in saying, then, that nobody placed on the statement of the Prime Minister the interpretation which the hon. member for Bonavista-Twillingate insists on putting on it at every opportunity. We could argue this subject until kingdom come, but as long as he is in this house the hon. member will go on putting his interpretation on the words of the Prime Minister and, as I say, as long as I am here I shall put the correct interpretation upon them and say that the hon. member is misinterpreting what the Prime Minister said.

As we have pointed out on several occasions, the formula which this bill proposes as a means of giving effect to the principle of equalization is a much improved formula, a formula which goes much further to meet the problems of the provinces which are in the weakest fiscal position. It will do very much better work in that respect than the formula written into the bill of 1956. It does this in two ways—

Mr. Pickersgill: Would the minister permit a question? He said, if I understood him correctly, that the formula was designed to help the provinces in the weakest financial position. In view of the fact that the total additional outlay is $18 million and Ontario gets an advantage of $18 million, does the minister mean that he thinks Ontario is in the weakest position?

Mr. Fleming (Eglinton): The hon. member is not dealing with the matter of equalization now. He is talking about total payments. I am talking about equalization. The hon. member knows perfectly well that Ontario derives no equalization payment under this legislation. It derived none under the legislation of 1956, and it does not qualify under the bill now before us. So the hon. member is simply drawing red herrings across the trail. That is typical. He puts his own definition on his own terms and then argues from that, regardless of what the facts are or of what the legislation says.

I was pointing out to the committee before the hon. member's latest intervention that the equalization formula in this bill will serve the principle of equalization more effectively in two respects. We are dealing now with equalization to the national average instead of to the level of the top two provinces. This change means that the bulk of the equalization benefit goes to the provinces which are in the greatest need. It is not disbursed so widely in terms of the number of provinces, but that money will be distributed in those provinces whose revenues are below the national average; there will be a concentration of it among the provinces which are in the greatest fiscal need. This was not the case under the formula in the earlier legislation.

The other change which has been made in aid of the principle of equalization is that now we are equalizing not merely in terms of the yield from the three standard taxes, but we are equalizing in terms of this yield plus 50 per cent of the yield from resource revenues. That latter element is of great importance. Why the principle of equalization

should have been limited to the three standard taxes is something which hon. members opposite will have to defend, because they themselves so limited it. We want to extend it more widely and to take into account 50 per cent of the yield from resource revenues. This will be a factor of great importance in serving the principle of equalization. I pointed out yesterday that disparities in the yield to provinces from resource revenues ranged all the way from 18 cents per capita to $112 per capita. The 1956 formula completely ignored this disparity. We propose to include this element and to apply the principle of equalization in this regard at least to the extent of 50 per cent from this source.

The next point which was made related to future projections. In table 3 which appears in *Hansard* at page 7927 we have sought to give the house the benefit of our best calculations for the fiscal year 1962-63. Both the hon. member for Bonavista-Twillingate and the hon. member for Laurier have asked for a table giving projections beyond that date. Any projection beyond that date is necessarily hypothetical. It will depend upon many factors.

Mr. Benidickson: This one is hypothetical, too, as the heading of the table indicates.

Mr. Fleming (Eglinton): Yes, but we are much closer to next year; and while we have taken very great care to point out that this is hypothetical in that sense, it is the best we can do right now in making a calculation for a fiscal year the commencement of which is now some seven months removed. To go beyond that and ask the government to put on the record of the house tables of projections beyond that date is not, I think, a proper request. Any figures in that respect will depend upon a variety of circumstances. They will depend on the rate of yield from these various taxes. They will depend upon the element of growth of the gross national product. They will depend upon the number of wealthy persons who die leaving estates, and matters of that kind. The projection into the coming fiscal year is as far as I think it is proper to ask the government to go in putting figures before the house.

Mr. Pickersgill: In other words, we are denied the information.

Mr. Fleming (Eglinton): No. The hon. member can make up his own tabulations as he wishes. In the department we have made up many tabulations. These all depend upon circumstances. There is a great variety of permutations and combinations depending upon the weight you are to give to growth factors here and there. We did not put forward at the dominion-provincial plenary conference any projections beyond 1962-63. The table we have put before the house at page 7927 is the table that was put before the conference. We did not put before the plenary conference projections beyond that date. Every province makes its own calculations for future years depending upon what weight they give to these different factors. I believe I have made my position quite clear in that respect, and I feel it is a sound position.

The hon. member for Laurier came back to the question of the constitution, and challenged the argument that the Prime Minister made yesterday. An important advance that this legislation makes over the 1956 legislation under which we have been operating in this regard for the last five years is that under this new legislation each provincial legislature will assume its proper and constitutional responsibility for determining what shall be the taxes levied in the province.

Mr. Chevrier: The provinces had the option of doing that before.

Mr. Fleming (Eglinton): Ah, but the pressures were such that that was chosen by one province with respect to three sources of tax and by one other province with respect to one source. For that reason we say that the tax rental system, whether you put it on an optional basis or on any other basis, was a system which put the federal government in the unconstitutional position of standing between the needs of the provinces in relation to revenue, on the one hand, and their proper constitutional responsibility in regard to determining what revenues should be raised on the other hand. This new legislation restores the responsibility precisely where it belongs under the constitution. Each legislature will take responsibility before the electorate and the taxpayers of the province to determine what revenue shall be raised to meet what are considered to be the proper fiscal needs of the province.

Mr. Pickersgill: Will the minister permit a question at this point?

Mr. Fleming (Eglinton): I was hoping to finish my remarks by one o'clock, and I will not be able to do so if I accept questions.

Mr. Pickersgill: I feel this is relevant. I should like to ask the minister whether any provincial government that now has a tax rental system has asked the federal government to stop it.

Mr. Fleming (Eglinton): Several of the provinces indicated that they were quite prepared to have the new system.

Mr. Pickersgill: That is not my question at all.

Mr. Fleming (Eglinton): It is, Mr. Chairman.

Mr. Pickersgill: It is not.

Mr. Fleming (Eglinton): They did not indicate opposition to the new system at all. They were quite prepared to accept the responsibility for the new system, but they did express the hope that the federal government would collect their taxes for them because they have not the tax collecting machinery—

Mr. Pickersgill: Would the minister mind answering my question? My question is this. Did the premier of any of the eight provinces that now have tax rental systems ask the federal government to drop that option?

Mr. Fleming (Eglinton): I do not recall that any of them asked us to do so—

Mr. Pickersgill: In fact most of them asked you to keep it.

Mr. Fleming (Eglinton): —but several urged the continuation of the tax rental system. There is no secret about that. They wanted the federal government to go on taking the responsibility of levying and collecting these taxes and sharing the proceeds with the provinces, for very obvious reasons. Some had grown accustomed to a system under which they had not taken the responsibility before their own electors and provincial taxpayers of levying and collecting taxes. Under that system when they found that what they were receiving was not adequate, what did they do? They came to Ottawa and pleaded for more money, blaming the federal government if more money was not forthcoming. That is not a constitutional position.

Mr. Pickersgill: This has nothing to do with the constitution.

Mr. Fleming (Eglinton): The new system will restore the constitution and place responsibility where the constitution puts it, namely on the shoulders of the federal government with respect to federal levies and on the shoulders of the legislatures of the provinces with respect to provincial levies.

Mr. Pickersgill: Rubbish.

Mr. Fleming (Eglinton): The argument about the return to the tax jungle was also advanced, but I see that it is one o'clock and therefore I shall have to reserve my comments in this respect until we resume.

Mr. Martin (Essex East): The minister is in the jungle.

At one o'clock the committee took recess.

AFTER RECESS

The committee resumed at 2.30 p.m.

Mr. Fleming (Eglinton): This morning the hon. member for Laurier referred to the expression "tax jungle".

Mr. Chevrier: So did the premiers.

Mr. Fleming (Eglinton): As a matter of fact, the hon. member went further and said that this subject had been referred to in those words by many persons at the conference.

Mr. Chevrier: By several premiers.

Mr. Fleming (Eglinton): His expression was "by many persons"; I made a note of it at the time. It was not referred to by many persons; it was referred to by one or two premiers. This is a subject in which the premier of Saskatchewan has shown some special interest. Whatever may be said about the condition of tax collection in this country in the 1930's, whatever may then have been the differences in tax rates applied by different provinces in the field of income tax, it is a fantastic inaccuracy to talk about a return to the tax jungle and associate that lurid expression with a measure of this kind.

This bill has two important provisions. In the first place it offers to the provinces the services and the facilities of the federal government in collecting their taxes. The only requisite in this respect is that the definition of income under provincial legislation should be the same as that contained in the federal legislation. It would be quite unreasonable to expect the federal government to undertake this service, particularly as it is being offered gratis, if the provinces were to create a diversity of definitions of income. This is a very necessary condition; but, subject to that one condition, the provinces are at liberty to impose whatever rates they choose with respect to the personal income tax and the corporation tax, and the federal government will collect their taxes for them and will do so without any charge whatever.

It is a substantial undertaking on the part of the federal government to assume the cost of collection. This will mean a service costing some millions of dollars offered by the federal government to the provinces. It is not necessary that the provinces confine their tax rates to the extent to which the federal government is withdrawing from the income tax field. That is not necessary; the federal government will provide the tax collection machinery and service regardless of the rate established by the province, provided the definition of income is the same.

Accordingly, Mr. Chairman, taxpayers will be called upon to complete only one income tax return in the case of provinces that choose to take advantage of this free federal service. Therefore the individual taxpayer has no reason to fear that he is going to be called upon to make two returns. In these cases he will be required to make only one return, and we are doing everything in our power to simplify that return and the division of the tax between the federal and provincial governments.

The argument that there should be only a federal tax in this field has been put forward with some degree of ardour in the past by socialists who see in this element a means of centralizing power in the federal government and concentrating power at Ottawa. I am glad this bill gives us an opportunity to provide an effective bulwark against that kind of attempted centralization. So I think it is quite clear, Mr. Chairman, that these attempts to frighten people by talking about a tax jungle have no basis whatever.

The other point that has been put forward previously in this regard, particularly by socialists, has been that the federal government can maintain greater fiscal control over the economy if it has within its power the exclusive right to impose taxes and to reduce or increase them according to the economic conditions prevailing. These arguments may possibly have had some validity years ago, let us say 20 years ago, but they have not nearly as much validity today when tax rates both in the personal and corporation tax fields are as high as they are. That argument flourished years ago when the corporation tax was only a fraction of what it is today, and the same is true of the personal income tax in those days.

However, be that as it may, Mr. Chairman, it should be borne in mind that this progressive withdrawal of the federal government is in the personal income tax field. The federal government under this proposal extends to the provinces the same abatement in relation to the corporation tax that has applied during the past five years.

Finally, Mr. Chairman, the hon. member for Laurier asked me certain questions with regard to what the provinces of Quebec and Ontario would receive both in the first year and in succeeding years. As to the succeeding years, Mr. Chairman, that will depend entirely, of course, upon circumstances. It will depend on the tax yields, and this in turn depends upon the incomes that persons and corporations will earn in those succeeding years. It will depend upon the rate of growth in the economy. It will depend upon the size of the gross national product. Therefore this will have to be a matter of estimate and the farther away from the particular year concerned the more difficult it will be to put forward a reliable estimate. However, in table No. 3 on page 7927 of *Hansard* we have put forward the best estimate we have been able to make as to the yields to the provinces in the fiscal year 1962-63. If the hon. member will examine that table he will see the answers to his questions.

[Mr. Fleming (Eglinton).]

Mr. Chevrier: Is the Minister of Finance not in a position to give in dollars and cents the amount of money that the province of Quebec will receive under this scheme in the first year and then over the succeeding four years?

Mr. Fleming (Eglinton): I have already given the information with respect to next year. It is there on page 7927. I also dwelt on this subject at some length yesterday. My remarks as found on page 9017 will indicate that I dwelt on this subject with respect to the figures for the province of Quebec.

Mr. Chevrier: I remember what the minister said, and he has repeated it today in answer to my colleague the hon. member for Bonavista-Twillingate. But the point I want to make to the minister is this. Table No. 3 page 7927 of *Hansard* for July 11, 1961 is a hypothetical illustration of provincial revenues for the year 1962-63 under the new formula. If the minister is able to do that for the first year under the new formula, why can he not project it over the full period until 1966 under the new formula?

Mr. Fleming (Eglinton): I have already said that the farther away one is from the year concerned the more difficult it becomes to project. We have gone as far as we prudently can in offering this projection for the year 1962-63. It must be taken subject to the obvious limitations. We have done the best we can to calculate what this might be in the light of what might reasonably be expected to be the tax yields next year. But if you go beyond that you are getting farther and farther away from the present time, and any projection of that kind has less and less validity the farther you project it into the future. I do not wish to be in the position of being accused later on of misleading the house if the actual figures should be higher or lower than those put forward in any projection that we might attempt to make now. Table No. 3 on page 7927 is the best estimate that we have been able to compile for the fiscal year 1962-63 and, as I say, it must be taken subject to the obvious limitations of the situation.

Mr. Chevrier: I am familiar with table No. 3. I have glanced over it several times,

and I am not satisfied that it gives the information which I seek. I come back to the preamble to my question this morning. Am I correct in assuming that under this new scheme the province of Quebec will receive $2½ million more over the period of five years? Is the minister able to answer that question?

Mr. Fleming (Eglinton): If I had the gift of prophecy, if I had a crystal ball and could look into it and read the future, I would be happy to answer the question; but I cannot be expected, I am sure, to answer as to what may be the gross national product or the tax yields from the personal income tax or the corporation tax or the succession duty in the province or the federal estate tax in those succeeding years. I think I have been quite reasonable about this. We have put forward our best calculation for the next fiscal year which begins just six months from now. It is a very different matter to be called upon to carry the projection farther into the future. I do not profess to have the gift of prophecy. I think we have gone as far as it is reasonable to expect us to go in connection with this forecast.

Mr. Chevrier: I suppose we shall have to take that for an answer, but I would have thought that if the minister could project it for one year he could project it for the remaining four years as well. I come back to the preamble to my question having to do with the province of Ontario, and I ask the minister whether it is a fact that under this new arrangement the province of Ontario will receive in the first year $18 million more under this agreement than under the former agreement.

Mr. Fleming (Eglinton): This table indicates that according to our best estimate at the present time the province of Ontario will receive $314,480,000 in the fiscal year 1962-63 under the new legislation, whereas under the present legislation it would receive $296,170,000, that is to say if the present scheme were carried forward into the fiscal year 1962-63. It should be borne in mind that this is a calculation of what will accrue to the provincial government if they occupy the tax fields to the extent to which the federal government withdraws from them or allows an abatement.

Mr. Chevrier: If this table were projected over the full term of the new agreement, is it a fact that the province of Ontario would receive $180 million over the whole five year term as opposed to the province of Quebec receiving $2½ million?

Mr. Fleming (Eglinton): I cannot say that. No one can answer that question. It is completely hypothetical. The hon. member is making guesses at figures and asking me to say whether they are right or wrong. I have already said that I do not profess to have the gift of prophecy, and the answer to any such speculation will depend entirely upon conditions. It will depend upon the extent of income, both personal and corporate; it will depend on other factors related to growth and yield. Therefore, Mr. Chairman, I have gone as far as I can, and I think I would be rendering the committee no service by attempting to speculate.

Mr. Chevrier: Like the song in "Oklahoma".

Mr. Fleming (Eglinton): Which one?

Mr. Chevrier: "I've gone about as far as I can go".

Mr. Pickersgill: Here is the minister asking us to agree to a bill that covers a five year period, not one year. If he were asking us to make arrangements for the next year only, then his answer would be quite reasonable. He is asking us to substitute for the existing law, which we on this side of the house say in so far as equalization goes is better than what he is suggesting, something which he will not compare with the old law. He will not tell us how the two compare over the whole five year period according to the best computation.

Now he creates a smokescreen by talking about being unable to estimate the gross national product and various other factors. We know that he cannot be certain about these things, but he can use the same factors in both projections and they will then both be equally accurate or inaccurate and the gap between them, if there is a gap, will be on the same basis. That is all we are asking. He did it in one case. I know, and the minister knows I know, it was done for the whole five years, because this minister would not have been so irresponsible as to introduce this bill if he had not had a projection for the whole five years. He seems to regard it as a strategic secret that should not be revealed to the representatives of the people who are asked to vote this money; that is what he is saying.

I say to the minister that if at some stage the province of Quebec—and this applies equally to Manitoba and Saskatchewan—is to get any advantage under the new formula, there must be a point when that happens. It does not happen in the first year. In the first year Quebec is worse off under the new formula and is therefore allowed to continue under the old formula. Is the reason for the minister's reticence the fact that Quebec will never get any additional benefit and therefore will be under the old formula for the

whole five years? Is that why this is being kept a secret? I ask the minister that question.

Mr. Fleming (Eglinton): The hon. member, if he knows as much as he claims, will know the answer to that question. It is a question of growth. If the growth is sufficient, Quebec will reap benefits in increased yields from the growth. The hon. member has no right, Mr. Chairman, to start imputing dark motives for the position I have taken.

Mr. Pickersgill: Give us the information, then.

Mr. Fleming (Eglinton): It is not a matter of information. Hon. members opposite are asking me to engage in a high degree of speculation in regard to the future. I have already said I would not be rendering a service to the committee by engaging in that kind of speculation. Or course we have made forecasts. We have made all kinds of them, depending on all the factors that are involved in any particular year. The year 1962-63 was given to the provincial conference in this form.

Mr. Pickersgill: It was asked for though.

Mr. Fleming (Eglinton): Table 3 was given to the conference. Yes; although the proceedings are secret, the hon. member is aware that a request was made for that.

Mr. Pickersgill: Well, I know that premiers are intelligent men and of course they would ask for it.

Mr. Fleming (Eglinton): It was not the premiers; it was one premier who asked for that, and evidently the hon. member has been having some discussions with the one premier who asked for that projection. I give the hon. member the same answer I gave to the premier who asked for this, and that is that it would involve entering into the realm of speculation. The answer depends upon hypothetical factors, and I do not think it would add to the knowledge of anyone, Mr. Chairman, to attempt to engage in that kind of speculation. The provincial premiers make their own calculations. They were in a position to assess what they considered to be the merits or demerits of the proposal, and they arrived at their own conclusions and based their arguments on those conclusions.

The hon. member knows, I think, that he already has adequate information to draw enough conclusions to enable him to take his position on this matter. It is interesting to me to hear him now requesting information when yesterday he denounced the bill and announced his intention of voting against it. Now he says he needs some more information but, presumably, no matter what this information might be it is not going to affect his attitude toward the bill. I do not question the right of any hon. member to obtain information. I know when I was in opposition I did not desist from efforts to obtain information that was available and was necessary to a proper understanding of the provisions of any bill, whether or not I favoured the bill. I do not question the right of any hon. member to ask for whatever information may be available.

It is one thing, Mr. Chairman, to ask for information and quite another thing to invite a minister to indulge in speculation. I must say that I shrink from engaging in speculative or hypothetical pursuits.

Mr. Pickersgill: Of course in 1955-56, when the new scheme was proposed for tax equalization, these projections were given over the whole period and a comparison was made between the new scheme and the old so the premiers would be given the best information that could possibly be given. The minister dared, a few years ago, to refer to Mr. C. D. Howe as arrogant. After seeing the attitude the minister has taken with this committee this afternoon I say there has never been such an example of arrogance. He says, we were so arrogant we told the premiers they had no right to know. We know they told the premiers that. We know they told them, you take it or else; but you do not even know what you are taking. You are not allowed to know.

However, we are parliament and the minister is the servant of this house, or he is supposed to be. This seems to be the idea that is most difficult to get through his head. This committee is entitled, especially in financial matters, to know the best projections on which we are asked to vote money. This is what we are being asked to do here, to vote money, and we are entitled to know to whom it is going and in what proportions.

It is obvious that in so far as Manitoba, Quebec and Saskatchewan are concerned, there is going to be no change in 1962-63. If, as the Prime Minister claimed yesterday, this is a more generous provision for all the provinces than the other, which I do not believe, there must be some point between now and the end of the five year period when Quebec will do better under the new formula than it will do under the existing formula. Surely it is reasonable to be told when, in the opinion of the government, that point will be reached, and approximately how much better off Quebec will be.

The minister says calculations have been made. Certainly calculations have been made. It should not really be necessary for us in parliament—and nobody should know this better than the minister—to have to engage

people to make these calculations. They should be equally available to both sides of the house once the government has made up its mind. We are not asking the government to give us any of the information they used in these various projections for schemes they did not employ. We are only asking the minister to continue table 3 on page 7927 of *Hansard* for the whole period, and to make the assumptions that are made for the whole period. We know it will be hypothetical but it will give us the best possible information, as the government had, on which to base a decision.

I do feel the hon. member for Laurier is probably right. I think it is probably true that perhaps in the last year, as the hon. member suggested, Quebec might get a little something out of the new arrangement. As for Manitoba, I am not sure that they will ever get anything out of it; and I think it is pretty certain that Saskatchewan will not. In no circumstances that we can readily envisage would Saskatchewan do as well under the new formula in the next five years at is does under the existing formula. So Saskatchewan is apparently to be kept screwed down with the existing formula even if there are improvements for others. That is the new concept of equalization.

The minister suggested that the premiers thought this was a better scheme. I think I ought to read what the premier of Manitoba said about it, and I would like to put this on record from the premier's letter to the Prime Minister dated August 23 last. It is already in the appendix to *Hansard* of September 22, 1961. Mr. Roblin said this, and I am not reading the whole letter but the parts that relate to equalization:

> It must be acknowledged that there are aspects of your announcement which represent a decided improvement over the federal-provincial agreement of 1957, and indeed it is estimated that Manitoba will likely benefit financially at least to some extent—

I stress those words "at least to some extent". The letter continues:

> —during the course of the new arrangements even after the amendments of 1958 are taken into account. Nevertheless, I must again draw your attention to the fact that Manitoba is not to receive under the new proposals that proportion of the shared tax fields for which we believe we have made a convincing and logical case.

That was the case that the Prime Minister said yesterday was not logical. The letter continues:

> Further, I must refer particularly to that portion of the equalization formula based on Canadian average yields. Manitoba reaffirms—

I think here the premier is speaking for all Manitobans regardless of party, because this is the Liberal position, not the Tory position.

Mr. Fleming (Eglinton): No, it is not the Liberal position.

Mr. Pickersgill: The letter continues:

> Manitoba reaffirms its proposal to equalize to the highest Canadian province—

Mr. Fleming (Eglinton): That is not the Liberal position.

Mr. Pickersgill: That is the Liberal position.

Mr. Fleming (Eglinton): Since when?

Mr. Pickersgill: It has been the Liberal position since the convention of 1958. It was not the position taken by the St. Laurent government in 1956, and it was not what was promised by the present Prime Minister in 1960; but it has been the position of the Liberal party, which has changed its position on certain matters just as hon. gentlemen opposite have changed theirs. But we think we have changed for the better, whereas hon. gentlemen opposite have palpably, in this bill, changed for the worse. I am just drawing attention to the fact that Mr. Roblin has embraced in toto the Liberal position, because he would not dare to take any other course in Manitoba. He says:

> Manitoba reaffirms its proposal to equalize to the highest Canadian province and we shall continue to work for its implementation.

I hope Mr. Roblin will get behind the party in this house that is working to that end and not working to thwart it. His letter continues:

> This we regard as more in keeping with the basic principles—

He does not say "formulae"; he says "principles", the minister will note. He continues:

> —on which these arrangements have been founded.
> Under present circumstances, however—

I think this is pretty significant of the new harmony and the new spirit of good will, cooperation and agreement which is said to exist. Hon. members will remember that in 1957 the provinces were not going to be coerced into doing anything; nothing was going to be forced on them; they were going to agree. Mr. Roblin's letter continues:

> Under present circumstances, however, there is no alternative but to take the steps necessary to implement the most advantageous of the options open to us under Bill C-122—

In other words, "We have to take it; we dare not leave it". There is just one other point I wish to make, Mr. Chairman, and it is this.

An hon. Member: You haven't made one yet.

Mr. Pickersgill: A good deal was made of the views of the premier of Newfoundland, and the minister just said that only one of

the premiers had said anything about the tax jungle. I have in my hand a clipping from the St. John's daily *News* of September 14 this year. The article is entitled "No Change With Provincial Income Taxes" and it reads:

> Corner Brook. Premier Smallwood says there will be no change in the scale or method of corporate and income taxation when it becomes a provincial responsibility January 1 next year.
>
> Ottawa will continue to collect taxes imposed by the province, the premier said in an interview Tuesday night.
>
> Premier Smallwood said the federal government's decision to abolish the tax rental agreement with the provinces "sets us back in the tax jungle".
>
> He preferred the present tax rental system under which Ottawa imposes and collects income and corporation taxes and, under an agreed formula, shares the proceeds with the provinces.

I suggest that the position taken by Premier Smallwood was taken by almost all the other premiers who had tax rental agreements. The Prime Minister and the minister have talked about restoring constitutional rights. There were no constitutional rights to restore; the constitutional rights were there. What they are doing is terminating a fruitful field of federal-provincial co-operation; and they are terminating it unilaterally.

Mr. Martin (Essex East): Hear, hear.

Mr. Pickersgill: They are terminating it unilaterally and forcing on several of the provinces a system which they do not want. That is what this restoration of constitutional rights really means.

Mr. Fleming (Eglinton): Mr. Chairman, we are engaged in a repetition of things that have been said again and again. Evidently I have not succeeded in changing the mind of the hon. member; nor has he by his repeated arguments, I must tell him, made very much impression on me. I think I may best answer some of his flights into the realm of fancy in his last intervention by reading this Canadian Press dispatch. I will leave one name blank while I am reading it and I will give the name when I have finished reading the extract.

Mr. Martin (Essex East): Don't be so dramatic.

Mr. Fleming (Eglinton): The article reads:

> The federal government's tax sharing offer to the provinces stands today as take it or leave it.
>
> Premiers at Friday's one day federal-provincial conference were hit bluntly with this information after they had spent much of the day outlining a miscellany of proposed changes favourable to the province from the federal offer.
>
> Finance Minister—
>
> —blank:
>
> —said flatly that the central government's plan goes "as far as we can go at this time" in money terms.
>
> His statement, given at a closed meeting and made public later, means the premiers are going away empty handed from a conference from which several had hoped to get a better split on taxes with the central government.

The date of that Canadian Press dispatch is March 10, 1956.

Mr. Pickersgill: And the name is Harris.

Mr. Fleming (Eglinton): The finance minister concerned was Mr. Harris.

Mr. Chevrier: Mr. Chairman, a moment ago the minister in replying to my question in which I sought to obtain from him a hypothetical illustration as contained in table 3 projected from 1962-63 to the end of the term in 1966, stated that it was difficult to do that for many reasons, one of which was growth, which he said was impossible to predict and prophesy. The minister said it was impossible to predict what the growth would be in the province of Quebec, and in other provinces for that matter.

I should like to bring to the attention of the minister this fact. If there is any growth it will apply to both formulae, the present one and the new one as well. Therefore growth certainly cannot prevent, by any stretch of imagination, a comparison between the two. I make that point because I do not think, the minister's argument was a valid one, having regard to what I have just said.

Clause agreed to.

On clause 2—*Definitions.*

Mr. Pickersgill: Mr. Chairman, there are a good many questions on clause 2. A few minutes ago the minister said something and I want to be absolutely sure about this. I raise this matter under the definitions section because, to be quite frank about it, I have not had time to reread the definition since we started our proceedings today. I would like the minister to tell us whether I was right in my assumption that the provincial governments may impose any rate of taxation, either corporate or personal, that they choose so long as all the rest of the scheme is exactly the same as the federal scheme.

Mr. Fleming (Eglinton): It depends on what the hon. member means by the word "scheme". I have already said this afternoon that a province may set its own rate. It is a matter entirely for decision by the provincial authority what the rate of taxation should be in respect to both personal and corporate income. But the definition of income must be the same as it is in the federal legislation if the federal government is to be asked to collect these taxes on behalf of the province.

Mr. Pickersgill: Must the exemptions be the same?

Mr. Fleming (Eglinton): Yes. You must arrive at the same taxable income. That assumes the identity of the definition, including exemptions.

Mr. Pickersgill: What I am really asking is this. If a province is to avail itself of this offer, their law must be identical with that of the federal government except as to rates?

Mr. Fleming (Eglinton): That is broadly correct.

Mr. Benidickson: What freedom is there in that?

Mr. Fleming (Eglinton): The province is not obliged to ask the federal government to collect taxes on its behalf. It is presently within the power of any province to decide to collect its own taxes, and one province has informed us that it is its intention to do so. It rests within the power of the provinces to vary the rates, vary the exemptions, change the definition of income or anything else in that field. We only say that if they wish the federal government to collect the taxes we can only operate when we are working on the same basis as to the taxable income.

Mr. Pickersgill: I do not disagree with that at all. I think the minister is right. It would not be feasible to collect it if you had two different schemes; and besides, there would be no advantage to the taxpayers anyway because they would have to make separate calculations.

I should like to pursue further the question asked by the hon. member for Kenora-Rainy River. It has always been true, of course, that any province had the right to impose any taxes it liked. That right has never ceased to exist at any time since confederation. I agree that there was a disability on the provinces which did so between 1947 and 1957, but there has been no disability on any province since 1957, as the minister well knows, and the province of Quebec, which has been collecting taxes of its own kind in its own way, has been getting equalization on exactly the same principle as any other province. So there is nothing new here as far as freedom is concerned. The only thing is that under the existing law a provincial government has the freedom, if it wishes, to make a tax rental agreement. That is a freedom which is now being taken away. Nothing whatever has been added, but something has been taken away. That is all.

Mr. Fleming (Eglinton): We have been over this time and time again. The hon. gentleman makes these categorical statements which just do not gibe with a proper interpretation of the measure. He can go on reiterating these statements of his if he likes, but that does not bring us into agreement as to whether they are correct.

Mr. Pickersgill: May I put one simple question to the minister. Is there anything whatsoever which the government of Quebec can do now in the way of levying income tax that it could not do under the existing law?

Mr. Fleming (Eglinton): With regard to levying, once the province of Quebec decided not to rent tax fields the positions are similar, with this exception. Previously the province of Quebec had no opportunity of having its taxes collected gratis by the federal government. Now it has that opportunity if it chooses to use it. However, I think the government of that province prefers to collect its own taxes.

Mr. Benidickson: I see that in subclause (c) of clause 2 provision is made for the acceptance of a practice which has been developed by the dominion bureau of statistics. I assume that this was presented to the provinces and they agreed to it. Is that correct? Then again, with respect to subclause (f), if we are allowing the provinces full freedom in this matter it should be borne in mind that from time to time there may be negotiations with other countries with respect to tax claims. To what extent has this been discussed with the provinces at the conferences?

Mr. Fleming (Eglinton): Both these matters were brought before the representatives of the provinces at the conference. The hon. member asked me if the provinces were agreed in relation to the natural resource revenue. I would say that some provinces expressed their approval while others prefered not to see natural resource revenue taken into the equalization formula. It very much depends where the benefit lies in a particular case. The inclusion of natural resource revenue in the formula benefits some provinces, and naturally, they would welcome it. To the extent that some provinces would not benefit, it would not be natural to expect them to enthuse over it. With regard to succession duty, there was very little discussion on the part of the provinces of this particular proposal.

Mr. Benidickson: I see that 2(1)(c) defines what natural resource revenues are to be. Coming back to my first point, would the minister tell us which provinces will actually receive less as a result of the inclusion of this provision in the agreement? I think, of course, of Alberta and perhaps British Columbia. Which other provinces actually lose in comparison with the old agreement as

a result of this definition? I want to know how many members of parliament from those provinces will vote for this amendment.

Mr. Fleming (Eglinton): As the hon. member is aware, Alberta and British Columbia lose something under the new equalization formula. The province of Saskatchewan opposes it because, as the hon. member is aware, that province has substantial resource revenues.

Mr. Pickersgill: Was this not also opposed by the government of New Brunswick?

Mr. Fleming (Eglinton): I believe so. I do not recall it personally.

Mr. Pickersgill: I think the correspondence which has been tabled shows that it did.

Mr. Fleming (Eglinton): I thought the hon. member was asking about the positions taken at the conference.

Mr. Benidickson: I wonder whether all the members from the provinces of British Columbia and Alberta are happy about approving this particular clause of the agreement, which seems to have a very severe and adverse effect upon the revenues of those provinces, and perhaps those of New Brunswick, too.

Mr. Fleming (Eglinton): The hon. member is wrong, I think, in saying it has a severe effect on those provinces. I do not think the effect could be said to be severe having regard to the guarantees which are given to all the provinces. Alberta and British Columbia are both provinces where the yields from this source are higher than the national average. But, of course, they are protected by the guarantee that they will receive in any year not less than they receive in the fiscal year 1961-62.

The hon. member's reference to the position of New Brunswick is not accurate, because although that province now appears to be objecting to the inclusion of resource revenues my clear recollection is that New Brunswick does derive benefits under the new formula from the inclusion of resource revenues.

Clause agreed to.

On clause 3—*Payments to provinces.*

Mr. Chevrier: Mr. Chairman, since the minister refuses to give the projection over a five year period, for which we have asked on several occasions, I should like permission to table a hypothetical illustration of provincial receipts for the period 1962-63 to 1966-67 under the new system and under the present system. This table shows the difference between the two systems in relation to the 16-9-50 formula and the 20-9-50 formula.

[Mr. Benidickson.]

The Deputy Chairman: I should advise the hon. member for Laurier that nothing can be tabled while we are in committee. He might wish to have this table included in *Hansard* as part of his speech at the point at which he has offered the table to the committee.

Mr. Chevrier: That would be quite satisfactory.

The Deputy Chairman: Does the committee give unanimous consent to the printing of this table in *Hansard* at this point?

Mr. Fleming (Eglinton): With respect, Mr. Chairman, I think we must know a great deal more about the nature of the table before it is placed on the record. The hon. member has not given the sources or the terms of the projection. We have had a great deal of discussion this afternoon about the matter of projection. The statement was confidently made this afternoon, I think by the hon. member for Bonavista-Twillingate or if not by him by the hon. member for Laurier, that in 1956 Mr. Harris, the then minister of finance, placed on the record a projection, year by year, over the five year period 1957-62. That assertion was made.

I thought there was something in that statement that did not ring true. I took an active part in the debate on the Federal-Provincial Tax-Sharing Arrangements Act in the summer of 1956, and I had no recollection of Mr. Harris having given any such projection. I have been making inquiries since, and I am told that he did not place on record any such projection. I am told further that he was invited to do so and said that he could do it for only one year. In other words, Mr. Chairman, Mr. Harris at that time followed the course of giving the house a projection for the first year of the five year period according to the best calculation that the Department of Finance could make at that date, and we have done the same thing now.

I say that anything beyond that is hypothetical and speculative, and with great respect I think we should not be asked to place such information on the record. Certainly if the hon. member asks for consent to put it on the record without reading it we must be told a great deal more about the sources of the table he is dealing with and the basis of his projection, because this will involve a number of assumptions and we should be told about those; otherwise the figures he is proposing to present to the committee have no validity whatever.

Mr. Chevrier: Mr. Chairman, there would be no request such as I have made to place these figures on *Hansard* if the minister had

shown any co-operation in projecting the table appearing at page 7927. The minister inquires about the source of the information. This information has been prepared at my request by those who assist the Leader of the Opposition and those who sit with us on this side of the house.

Mr. Balcer: Professor Lamontagne.

Mr. Chevrier: These are figures which are comparable to the figures tabled by the minister. I believe there is sufficient authority to allow me to request permission to place this table on *Hansard*.

Mr. Fleming (Eglinton): Obviously if the hon. member takes personal responsibility for the calculation he would be entitled to read this table into the record and there is no point in delaying the committee in that respect. But I think the hon. member should tell the committee the assumptions upon which this table has been constructed. This is the whole basis, after all, going to the root of the validity of any such calculation.

Mr. Chevrier: The assumptions are all set out in this table. The table sets out in detail what each province receives under the 16-9-50 formula and under the 20-9-50 formula, together with the totals.

Mr. Fleming (Eglinton): What is the assumption with regard to growth factors?

Mr. Chevrier: The assumption in regard to growth factors is the same as that contained in table No. 3.

Mr. Fleming (Eglinton): Does that mean that the hon. gentleman has taken 5 per cent all the way through the period?

Mr. Chevrier: In so far as the new system is concerned it deals with equalization on the national average, $35 million of grants for the Atlantic provinces, and the two special guarantees. So far as the old or present system is concerned it deals with equalization on the basis of the top two provinces and $25 million for the Atlantic provinces.

Mr. Fleming (Eglinton): That does not answer my question at all.

Mr. Bell (Carleton): What about the growth factor?

Mr. Chevrier: The growth factor is the same as that contained in table No. 3.

Mr. Fleming (Eglinton): But has it been continued through to arrive at the calculation for the five year period? Was it taken as a flat rate or was it pyramided?

Mr. Chevrier: The minister asked me if I would assume responsibility for this table, and I have said I would. I have been cross-examined at some length on the nature of this table. This is unusual, either in committee or in the house.

An hon. Member: Indeed it is.

Mr. Chevrier: If there is any objection to having it tabled I shall read the whole thing.

Mr. Churchill: There certainly is objection.

Mr. Chevrier: However, in order to save time and at the minister's request I do not propose to read the table. I say this is an unusual procedure, because it is the practice to accept material of this kind, particularly if the hon. member who seeks permission to place it on *Hansard* takes responsibility for it.

Mr. Fleming (Eglinton): Mr. Chairman, the hon. member says he is taking responsibility for it. He said there is no point in taking the time of the committee to read it and that it should be put on the record without being read. If the hon. member accepts responsibility for this document he ought to be able to offer the committee some illumination as to the basis of this table. I have asked for some information. My question refers to an obvious matter. It goes to the whole root of the projection. I have not received an answer to my question. I will not object to the hon. member putting the table on the record, but I do point out that we have not been given information about this table which would enable us to determine its validity, and in the meantime we can accept it only as a speculative exercise on the part of whoever prepared it.

Mr. Chevrier: Notwithstanding what the minister has said may I point out that when he put his tables on *Hansard* we did not ask him all these questions.

Mr. Bell (Carleton): That is very different.

Mr. Fleming (Eglinton): Mr. Chairman, that information is given in the headings of my tables.

Mr. Chevrier: Mr. Chairman, I now beg leave to table this hypothetical illustration of provincial revenues over the projected period 1962-63 to 1966-67.

The Deputy Chairman: Has the hon. member for Laurier the unanimous consent of the committee to have this table printed as part of his speech at this point in *Hansard*?

Some hon. Members: No.

Mr. Speakman: On a point of order, Mr. Chairman, surely the hon. member has sufficient experience in this chamber to know he must either identify the source or assume responsibility.

Mr. Robichaud: He did both. Where were you?

Mr. Speakman: He referred to an anonymous source.

Mr. Chevrier: The hon. member has been asleep. I indicated the source of the figures and said that I accepted responsibility for them which is, I think, all I am required to do under the rules.

The Deputy Chairman: Does the committee give unanimous consent?

Some hon. Members: No.

Mr. Chevrier: The committee refuses to give unanimous consent, which is neither courteous nor the usual procedure. Under the circumstances I propose to now place on *Hansard* what has been compiled in this statement.

The table reads as follows:

Hypothetical illustration of provincial receipts for 1962-63 and 1966-67 under the new system and under the present system with the new rates.

	16-9-50		20-9-50	
	New system[1]	Present system[2]	New[1]	Present[2]
Nfld.	31.1	30.2	33.1	32.8
P.E.I.	8.2	7.5	8.6	8.1
N.S.	43.4	43.2	46.5	47.4
N.B.	36.2	37.3	38.8	40.8
Que.	239.5	253.8	242.1	283.3
Ont.	311.3	311.3	347.3	347.3
Man.	42.1	45.0	43.4	50.2
Sask.	42.6	45.1	42.6	50.3
Alta.	56.0	63.6	56.0	71.0
B.C.	72.3	79.5	81.1	88.8
Total	883.3	916.5	938.5	1,020.0

[1] With equalization on the national average, $35 million in grants for the Atlantic provinces and the two special guarantees.

[2] With equalization on the top two provinces and $25 million for the Atlantic provinces.

Mr. Fleming (Eglinton): All I have to say is that these figures are utterly weird. As I followed the hon. member in his reading I will have to take issue with at least half of them. He is trying to show somehow or other, by what weird reasoning no one dares say, that under the new formula proposed in this bill at some stage the provinces in the aggregate would receive less than they are receiving at the present time. Mr. Chairman, that is an impossibility.

Mr. Chevrier: If it is an impossibility why did the minister not allow the table to be put on *Hansard* in the first instance and then reply to it in due course? In other words, the minister forced me to read it; whereas if it appeared side by side with the other table it would be possible to compare the two and then we would understand his argument. As it is now we are not able to do that because I was not able to get unanimous consent. I was not allowed to put the tables side by side, the one which has been prepared by the minister's officials and this one for which I said I would take responsibility.

The Deputy Chairman: Shall clause 3 carry?

Mr. Benidickson: No. Clause 3 has the heading "Payments to Provinces". Yesterday we received some figures from the Prime Minister. The Minister of Finance refers to weird figures. Well, let us look at page 9004 of *Hansard,* where the Prime Minister suggests that conditional grants to the provinces had increased by $440 million. It was pointed out yesterday that this was simply a propaganda figure because if one looks at the figures which the minister tabled, and which I do not think he will call weird, and to which he has referred several times—they appear at page 7915 of *Hansard* of July 11—one will realize, after this boasting by the Prime Minister yesterday, that the biggest item in the increase has to do with hospital insurance. Indeed it refers to $274 million. When he was checked yesterday the Prime Minister confessed that that was so, and at page 9005 of *Hansard* he said:

> One hon. gentleman mentioned hospital insurance. Yes, it is true that the Liberals brought it in but we pay for it.

Well, I suppose the present government is taking credit for paying old age pensions, unemployment insurance and some of the other things that were introduced by its predecessors. I have heard so many members of the present government say they brought in hospital insurance that I was very glad to have these concrete words from the Prime Minister yesterday:

> Yes, it is true that the Liberals brought it in.

This involves $274 million out of $406 million in additional grants relating 1957-58 to 1961-62. While the Prime Minister did not say so in his remarks yesterday, I know that he was referring to the table provided by the Minister of Finance which is found on page 7915 of *Hansard.*

In addition, with respect to conditional grants one will find substantially increased expenditures by the present government for such items as winter works and welfare. If one analyses both these categories and some others, one will find that these increases are directly attributable to the fact that under this government our economy has gone down and there has been unemployment with the result that it was certainly necessary to rescue the municipalities and the provinces through measures of this kind.

I admit quite freely that there is also another item of some consequence, the increase in vocational training grants to the provinces. I think this perhaps involves a new program but it again was stimulated by the fact that

under the present regime the economy of Canada has fallen behind. However desirable the need because of economic circumstances, this provision is accountable for some $23 million of the increase in the table. When one looks at these things he realizes that the use of these figures yesterday had a certain propaganda element in it that is not worthy of very much consideration.

We are considering clause 3, payments to the provinces, and if we refer to the same table on page 7915 we find that in connection with unconditional grants there was again a grandiose utilization by the Prime Minister of a sum involving many millions of dollars in comparing the increase from one year to another. But I find that the big item in that bragging had to do with tax abatements and tax rentals and more particularly had reference to the so-called equalization. The sum of $190 million refers to equalization.

We have had a debate about equalization and I think members of the committee, so far as equalization is concerned, will find proof of the lack of substance in the new agreement in the fact that the government cannot point to anything equivalent for the next five years. The sum of $190 million for equalization was, of course, equalization provided by the former administration. At that time the minister of finance was the Hon. Mr. Harris and I had the honour of being with him at the federal-provincial conferences leading up to that agreement. The result is that, so far as unconditional grants are concerned, the government is prepared to boast that $190 million more than in 1957-58 has been provided to the provinces, but the heading is equalization. Under the new bill, what have we got that is equivalent to $190 million in equalization?

Mr. Fleming (Eglinton): Mr. Chairman, perhaps the intrinsic merit of the hon. gentleman's demagogic intervention can be judged by the accuracy of his references to hospital insurance. It is quite true that a measure for hospital insurance in Canada was introduced by the former government, but that measure had a typical joker in it, that no such legislation should come into effect and no contributions should be available to any province under it until a majority of the provinces representing a majority of the population set up plans in conformity with its terms. It will be remembered that after the change of government this joker was removed by parliament at the invitation of the new government and then there was an opportunity for the plan to proceed province by province. The old government left a not too creditable record in that regard.

Clause agreed to.

On clause 4—*Tax equalization payments.*

Mr. Pickersgill: There is one question I should like to put on clause 4. I should like to ask the minister if it is the present expectation of the government—in using the word "expectation" I am not asking for anything more than that—that Quebec or Manitoba or Saskatchewan at any time during the next five years will move from the guaranteed equalization, which they will be under in the first year according to his projection, to the basic equalization?

Mr. Fleming (Eglinton): Again, Mr. Chairman, that would invite me to engage in prophecy and I do not think I would be serving the house by attempting to do that.

Mr. Pickersgill: The minister, in other words, is saying that he is not at all sure that at any time in the five years any of these three provinces will have any financial advantage whatsoever under the new legislation compared with the old.

Mr. Fleming (Eglinton): Mr. Chairman, that is obviously not what I said.

Mr. Benidickson: Perhaps that is not what the minister has said but he has given parliament a table which indicates his forecast for one year. We would prefer a projection for a longer period, but the hypothetical conditions involved in the table he has given us include, of course, a 5 per cent growth in income. I have indicated that while the present government has been in office this country vis-à-vis most other countries of the world has fallen behind and that must be contrasted with a growth of perhaps 20 per cent in the years prior to the election of the present government. The minister has chosen to assume a hypothetical growth of 5 per cent and to give us certain figures. Based on those figures it would appear to be clear that Quebec will stand still, Manitoba will stand still and Saskatchewan will stand still. We also know that as a result of the ingenuity of the minister and the government they have somehow contrived to make worse in a relative way the position of Alberta, British Columbia and New Brunswick with respect to tax-sharing agreements. The minister says that he declines to make any further speculations as to what the provinces will get out of the new five year agreement. However, he also denies that certain provinces will not improve and will stand still as I have suggested. I take it that they stand still simply by reason of the fact that they finally fought for a stabilization clause in the new five year agreement under which they would not get any less than had been provided under the agreement which they negotiated with the previous government. Perhaps that is why

table 3 on page 7927 of *Hansard* gives dollar for dollar figures with respect to income for Manitoba, Saskatchewan and some of the other provinces for the first year of the new five year agreement. The income they receive will be the same as the income they received during the last year of the old formula which they negotiated with the previous government in 1956.

The new formula includes a growth of 5 per cent per annum. How many people in the province affected will think that this represents any progress, having regard to the various extravagant proposals that were made by the present minister when he looked at these matters when the last five year agreement came up for debate in 1956 and, in particular, when so many of the people in these provinces remember what the Prime Minister said in the election campaigns of 1957 and 1958. In other words, this represents a standstill for those provinces. The figures seem to indicate that. Am I right in assuming that the fact the dollar figures are identical is due to the stabilization clause in the agreement? In other words, there is a floor but apparently the floor is going to be the best that those people in those provinces I have mentioned are likely to get in this next agreement, as opposed to the fact that in the agreement negotiated in 1956 when Mr. Harris was minister of finance, there was an over-all increase of many millions of dollars in the amount the provinces received, and in no case did a province fail to go forward.

Mr. Fleming (Eglinton): Mr. Chairman, the hon. member is getting the terms mixed up. He has been talking about stabilization, and I think he means the guarantee. As a result of the operation of the guarantee feature in the new formula, the provinces he has mentioned, Quebec, Manitoba and Saskatchewan, will not fall below what they would have received under the present formula. These are all provinces with incomes below the national average and therefore they have the benefit of both features of the guarantee. In other words, they are assured not only that their receipts in any future fiscal year will not fall below those in the present fiscal year, but they are also assured that they will not receive less than they would have received had the present formula been carried on into the future throughout the five year period.

Then, by way of comparison, if the hon. member will look at table 3 on page 7927 of *Hansard*, he will see that in the case of Quebec, had it not been for the change, next year under Mr. Harris' formula Quebec would have received $217 million whereas under the proposed formula they will receive $241 million. The province of Manitoba under Mr. Harris' formula would receive next year $38 million, and under the formula proposed by the present government will receive $42 million. The province of Saskatchewan, under Mr. Harris' formula would receive next year $38 million and under the formula proposed by the government in this bill will receive $42.5 million.

The hon. gentleman talks about increased benefits, but he is overlooking the fact that the benefit to the provinces is not static. It is a substantial benefit now and it increases year by year over the five year period as the federal government progressively withdraws from the personal income tax field in favour of the provinces.

Clause agreed to.

Clause 5 agreed to.

On clause 6—*Tax collection agreements.*

Mr. Fleming (Eglinton): There is an amendment to clause 6 to which I referred two days ago by which subclause 3 would be added. I would ask my colleague the Minister of Veterans Affairs to move this amendment. I sent copies of the amendment, Mr. Chairman, to hon. members opposite when I referred to this matter on September 26 as reported at page 8941 of *Hansard*, and I set forth the reasons for the amendment.

Mr. Churchill: I move:

(3) Where the law of a province that imposes a tax on income as described in subsection (1) contains provisions requiring every person making a payment of a specified kind to another person to deduct or withhold therefrom an amount and to remit that amount on account of such tax, effect may be given to those provisions, in accordance with the regulations, in relation to persons to whom such payments are made out of the consolidated revenue fund or by an agent of Her Majesty in right of Canada.

Amendment agreed to.

Clause 6 as amended agreed to.

Clauses 7 to 9 inclusive agreed to.

Title agreed to.

Bill reported.

The Acting Speaker (Mr. Chown): When shall this bill be read a third time; now?

Mr. Pickersgill: By leave.

Mr. Fleming (Eglinton) thereupon moved the third reading of the bill.

The Acting Speaker (Mr. Chown): Is it the pleasure of the house to adopt the motion?

Mr. Chevrier: On division.

Motion agreed to on division, bill read the third time and passed.

BUSINESS OF THE HOUSE

PROCEDURE WITH REGARD TO PRIVATE BILL

Hon. Gordon Churchill (Minister of Veterans Affairs): I wonder if at this stage the house would give consent to dealing with the private bill which we mentioned this morning, Bill No. S-30, an act to incorporate the Equitable General Insurance Company?

The Acting Speaker (Mr. Chown): Does the house give unanimous consent to proceeding now with the private bill which was the subject of discussion earlier today?

Some hon. Members: Agreed.

PRIVATE BILLS

THE EQUITABLE GENERAL INSURANCE COMPANY

Mr. Robert Lafreniere (Quebec-Montmorency) moved that the house go into committee to consider Bill No. S-30, to incorporate the Equitable General Insurance Company.

Motion agreed to and the house went into committee, Mr. Chown in the chair.

On clause 1—*Incorporation.*

(Translation):

Mr. Chevrier: Mr. Chairman, with respect to this bill which was read for the second time in this house yesterday, I must say, first of all, that we, on this side of the house, readily agree that the standing orders be set aside in order that this bill may be passed today.

I understand the upper house has considered this bill in its three stages and has stated its approval. So that the adoption of this bill be not delayed, I would just ask the hon. member if he could tell us whether Mr. MacGregor, who is the expert in this field, has declared himself satisfied at the other place, not only with the bill in its present form but also with the statement of assets of the company, as far as both federal and provincial statutes are concerned, because I understand that in bills of this nature, it is necessary, under federal legislation, for the company to declare a certain amount of assets.

Mr. Lafreniere: Mr. Chairman, in order to relieve the moral responsibility of the members of this house, I must say that the wording and the provisions of this bill have been approved by the superintendent of insurance.

Mr. Chevrier: I simply wanted to ask the hon. member whether the superintendent had declared himself satisfied with the federal requirements with regard to this bill.

Mr. Lafreniere: He did, Mr. Chairman.

(Text):

Mr. Regier: Mr. Chairman, our procedure in this particular case is somewhat unusual. However, I wish to express on behalf of this group our complete confidence in the superintendent of insurance, Mr. MacGregor. This group has been advised that this bill in all respects has the endorsement of Mr. MacGregor. I wish to take this opportunity to say that, while we have tens of thousands of federal civil servants, very few of them have the confidence of the hon. members of this house to the extent that Mr. MacGregor has. It is on the basis of the assurance that we have received that Mr. MacGregor wholeheartedly approves of this bill that we are willing to agree to these unusual proceedings and allow the bill to pass.

Clause agreed to.

Clauses 2 to 23 inclusive agreed to.

Preamble agreed to.

Title agreed to.

(Translation):

Mr. Lafreniere: Mr. Chairman, I should like to thank all members of this house for their fine co-operation.

(Text):

Bill reported.

Mr. Speaker: When shall the said bill be read a third time; now?

Some hon. Members: Agreed.

Mr. Lafreniere moved the third reading of the bill.

Motion agreed to, bill read the third time and passed.

SUPPLY

The house in committee of supply, Mr. Chown in the chair.

DEPARTMENT OF FINANCE

General administration—

111. Departmental administration, $1,911,211.

Mr. Benidickson: Mr. Chairman, I think we all thought the other day that the Minister of Finance would introduce his estimates by making a statement, particularly with respect to his representations on behalf of this country at two very important international assemblies. I of course refer to the conference at Accra and the conference of the international monetary fund at Vienna. Is it the intention of the minister to introduce his estimates with a statement? If it is, I know the committee will give him the opportunity to speak prior to any other hon. member of the committee. Does the parliamentary secretary to the Minister of Finance have anything to say in this connection?

Supply—Finance

Mr. Bell (Carleton): Mr. Chairman, the Minister of Finance will be back in his seat in just a moment.

Hon. Donald M. Fleming (Minister of Finance): Mr. Chairman, on this first item in the estimates of the Department of Finance I am very glad to have an opportunity to make a statement to the committee, particularly in relation to the recent meeting of the commonwealth economic consultative council at Accra. I say I particularly welcome this opportunity because of the extent of the error and confusion which has been created by reports and editorial comments that I have observed since the conference. It seems to me that never in my experience in public life have I seen so much inaccuracy and misunderstanding in regard to any conference or positions taken at it or the results of the conference.

What we have been witnessing in Canada, and indeed elsewhere, in the past fortnight is something of a welter of speculation, very inaccurate speculation, on the part of persons who obviously were not present at the conference, for it was a conference that was held behind closed doors. A great deal of misinformation has been spread about. I welcome, therefore, an opportunity of correcting in so far as I can the gross inaccuracies which have been evident in this connection. The latest one to come to my knowledge was uttered on "Preview Commentary" yesterday morning when the spokesman took it upon himself to say that the Minister of Trade and Commerce and I at the Accra conference took what he called "an anti-British line". I do not like to use harsh terms but I have to call a statement of that kind by its proper name. I have to say that that statement is a blatant lie. It is a downright falsehood. Why people should make irresponsible statements of that kind I shall never be able to understand.

I think that as far as all hon. members of this house are concerned it is unnecessary for me to make any such statement as this, but in view of that kind of misstatement let me make it very clear that when the time comes when Canadian ministers at a conference of that kind, or at any conference, take an anti-British line, I will not be a minister. I am sure the delegates attending that conference on behalf of the other commonwealth countries would have been utterly amazed if they had heard such a misstatement.

The commonwealth economic consultative council was established pursuant to a decision taken at the Montreal trade and economic conference of 1958. Clause 18 of the report of that conference reads as follows:

> Commonwealth consultation and co-operation in economic matters are of primary importance in achieving our objectives in the economic field. We are agreed that the present machinery for consultation is working well; it is flexible and informal and well fitted to the family character of the commonwealth relationship. We decided that the existing arrangements should be co-ordinated under the name of a commonwealth economic consultative council. We welcomed an offer by the United Kingdom government to provide a commonwealth house to be available for the constituent bodies of the council and for other commonwealth meetings.

The commonwealth economic consultative council has now held three annual meetings. Those of 1959 and 1960 were held in London, and this year's meeting was held in Accra. It was the first time that a commonwealth meeting at government level has been held in Africa, and the significance of Africa as a continent on the world's stage as well as the significance to the commonwealth of the African countries of the commonwealth was recognized in the acceptance of the invitation of the government of Ghana to hold the convention in Accra.

Numerous matters were discussed at the conference. The meeting itself lasted three days, and the days were fully occupied by discussion. This conference was attended for the first time by Nigeria, Sierra Leone, and Cyprus in self governing capacities. I shall not delay the committee by reviewing the other subjects discussed, in view of the absorbing interest which has been attracted to one subject in particular. However, I have put this matter in its setting in order to show that this was one of a number of subjects which were discussed. I refer in particular to the question of the approach of the United Kingdom to the European economic community with a view to negotiating possible terms for joining that community.

Let me make it clear at the outset that the decision in this matter is, and always has been, recognized by all the commonwealth countries as one for the government of the United Kingdom. There can be no question about that. There never has been any question about that. In the communique which was issued here in Ottawa on July 14 following a meeting of Canadian ministers with Mr. Duncan Sandys representing the government of the United Kingdom to discuss this subject, the following sentence appears:

> The Canadian ministers recognized that this is a matter for decision by the British government.

That continues to be the position. No one has ever questioned that. Why, then, has this subject become a matter of commonwealth consideration? Well, this is a subject of great concern to the countries of the commonwealth and, broadly speaking, for two very good reasons. First of all, if the United Kingdom accedes to the community on the basis of the treaty of Rome, which

is the treaty which has brought the community into being and which keeps the six in community relationship, there would be changed political relationship involving the United Kingdom. In the second place, there would be changes in the terms of trade between the commonwealth countries and the United Kingdom.

My next observation is that this discussion came about because an item had been placed on the agenda involving consideration of this subject. Here is the item which appeared on the agreed agenda. It reads: "European Economic Problems". This agenda was drafted, at least in part, by the United Kingdom. The ministers representing the United Kingdom at the conference expected a full discussion of the matter and were well aware of the importance attached to it by the commonwealth countries assembled there. At the meeting of heads of delegations prior to the opening of the conference it was agreed that, having regard to the importance of this subject, one complete day should be set aside for it. The second day, by agreement, was therefore set aside. The discussion occupied the whole day and was concluded at the end of the day.

A communique was issued at the conclusion of the conference, and hon. members have had an opportunity of perusing that communique. Therefore, when the Leader of the Opposition intimated to the house, as recorded at page 8407 of *Hansard*, that Canadian ministers at that conference were squealing before they were hurt, he completely overlooked the fact that this item was placed on an agreed agenda and that the United Kingdom ministers came to Accra expecting a full discussion of the subject.

It is now said in some quarters that the decision recorded at that conference and set down in the communique was what is called "a Canadian decision". It was said here in this house two days ago by the hon. member for Laurier that Canada led "a ganging up on the United Kingdom." There is no shred of truth whatsoever in those charges—not the slightest. They are based upon a complete distortion of the facts. Here is the hon. member for Bonavista-Twillingate adding to that by a statement he made in Toronto last evening. I have in my hand the Ottawa *Journal* of this afternoon which contains a Canadian Press dispatch. The *Journal* has surmounted it with a headline reading, "Pickersgill Charges Tories Anti-British". The opening paragraph reads:

> Toronto (CP)—Liberal member of parliament J. W. Pickersgill accused the Conservative government last night of being "consistently anti-British"—

Those charges of the hon. member for Bonavista-Twillingate are false in all particulars. I hope I have made myself quite plain. He has been playing his old game of cheap politics.

Mr. Chevrier: The minister does that pretty well.

Mr. Fleming (Eglinton): Mr. Chairman, the communique reveals very completely the unanimity that was reached at this conference. It is a report of agreement on the part of the commonwealth countries. Indeed, a quite extraordinary unanimity was achieved at the conference of the views of the commonwealth countries in relation to this issue. A great injustice is done to the other commonwealth countries by those who pretend and mislead by saying that this was a Canadian decision. Canada played her proper part at this conference. My colleague and I would be open to censure if we had not played a proper part at this conference. However, as the communique shows, the decisions were unanimous decisions on the part of the commonwealth countries in expressing their opinions to the government of the United Kingdom.

The opinions which were expressed by Canadian ministers were government policy, the same policy that was indicated to Mr. Duncan Sandys when he visited Ottawa on July 14 and which are reported in the communique of that date.

The Canadians were not the first to open up this subject at the conference. As a matter of fact, Mr. Chairman, so great was the interest in this subject that in the public session of the conference which preceded our going into private session the Right Hon. Harold Holt, the treasurer of Australia, made reference to the subject. Here is a passage from his remarks in his speech in the public session. He said:

> A decision by the United Kingdom to join the community would be a step of such tremendous historical importance that it must, my government believes, affect the commonwealth to some degree. We in Australia recognize that the question whether the United Kingdom should or should not join the community is one which the United Kingdom government alone can decide. But we have been concerned at the weakening effect that a decision to join might ultimately have on the commonwealth reloaionship. None of us wishes to see that happen. The United Kingdom has told us of the great importance it attaches to maintaining the commonwealth relationship unimpaired. We have welcomed the assurances the United Kingdom government has given us on this point. This is more than a matter of trade and financial relationships, but these aspects are of far-reaching importance also. It would be a most unhappy outcome if the long established trade within the commonwealth were not fully maintained and, indeed, given adequate opportunities for expansion.

We are sure that the European nations appreciate the significance for the world, and for themselves, of a strong and prosperous commonwealth. We, for our part, fully understand what European unity means for peace and economic advancement of the world at large. We are taking no narrow nor unimaginative view of this matter. But we feel that it would be a tragedy if gains made in this direction were secured by impairment of the strength of the commonwealth either as a whole or in any of its constituent parts.

That was the opening reference to the subject. Of course, there had been a debate in the house of representatives in Australia prior to this conference and statements were made in the course of debate there by the prime minister, Mr. Menzies, and the minister of trade, Mr. McEwan. Those are a matter of record and very strong statements they are indeed, drawing attention to the tragic consequences which might result for Australia and the commonwealth.

In the discussions at the meeting at Accra all of the fully self governing countries of the commonwealth spoke through their ministers and as well we heard the views of several of the dependent or emerging territories. My colleague, the Minister of Trade and Commerce, put Canada's position before the conference and I would be doing less than my duty if I did not pay tribute to my colleague for an admirable presentation of the subject in relation to the trading and economic interests of Canada and the United Kingdom.

I may say that the United Kingdom opened the discussion and then the other delegates followed with their remarks. It fell to my honour to speak after the other commonwealth delegates had all spoken, and then the delegate for the United Kingdom, the chancellor of the exchequer, closed the discussion.

Mr. Chevrier: Would the minister permit a question? Would the minister include in his very laudatory remarks with reference to the Minister of Trade and Commerce the decision of that hon. gentleman to release the text of his speech to the United Press?

Mr. Fleming (Eglinton): The hon. gentleman, if he had paid attention to what my colleague said in this house two days ago, would know very well that my colleague said he did not release that statement to the press and that it was done without his knowledge.

Mr. Benidickson: Nevertheless it was said.

Mr. Chevrier: He didn't, but he did, you mean?

Mr. Fleming (Eglinton): I do not mean that. I mean exactly what I said. One would have thought that by this time due note would have been taken of what had been said recently in this country by Right Hon. Reginald Maudling the president of the board of trade of the United Kingdom. Mr. Maudling was one of the two ministerial delegates of the United Kingdom to this conference. He has been associated with this question for some years, for it was when he was paymaster general in the British government in 1957 and 1958 that he was responsible for carrying on the negotiations of those days for British adherence to the old industrial free trade area plan in Europe. Mr. Maudling has been through this matter for years and is fully acquainted with all features of it. Speaking in Toronto within the last two days Mr. Maudling has made a statement in this connection which ought to be a sufficient answer to any who have been engaged in making misleading statements in regard to this matter and in regard to the Canadian attitude at this conference. The Canadian Press dispatch of September 26 from Toronto reads as follows:

If the price of joining the European common market is to disrupt the commonwealth, then the price is too high to pay, Reginald Maudling, president of Britain's board of trade, said today.

However, he believed it would be possible for Britain to enter the market without incurring the commonwealth penalty that some feared.

"This is what we are trying to find out", he added, referring to Britain's prospective negotiations with the market countries.

Mr. Maudling, whose position in the British cabinet is similar to the Canadian portfolio of trade and commerce, made his comments at a press conference which followed his address to the current three-day annual conference of the Canadian institute of chartered accountants. Stating that one quarter of Britain's exports are within the commonwealth preference set-up, he said the preferences are more important than some people seem to think. Asked if they could be maintained if Britain enters the European market, he replied: "It is wrong to anticipate what may or may not be done before negotiations start. The preferences we enjoy are very important and I hope to see them preserved as much as possible."

He described the recent meeting of commonwealth ministers at Accra, Ghana, as "the best discussion we ever had". He didn't agree with all that was said but he considered that everything said was reasonable.

Concern was expressed, he continued, "but no one went as far as to say it was impossible for Britain to enter the common market and still maintain the Commonwealth, though there was a feeling that it would be difficult to achieve such a situation."

Britain's position was that she was not prepared to enter the market unless there were proper safeguards for the commonwealth. Other representatives expressed worry that Britain might not be able to achieve such safeguards and that the negotiations might break down, causing harm all round.

There is the authentic statement of Mr. Maudling, one of the two ministers representing the United Kingdom government at that conference.

So far as the position of the United Kingdom is concerned, nothing new emerged at the conference beyond what had already been indicated to the government by Mr. Sandys when he was here on July 14 and what had

been said by Prime Minister Macmillan in the parliament at Westminster in the debate there in midsummer.

The position of the United Kingdom was that no decision has been taken by the government of the United Kingdom to join the community, but that the negotiations were necessary in order to ascertain upon what terms it might be possible for Britain to be received into membership in the community. In other words, it was emphasized that the purpose of those negotiations was to ascertain what terms would be possible for Britain to adhere to the community. The statement of Mr. Macmillan in the Westminster debate was reiterated, namely that the British negotiators would do everything possible to defend the interests of the commonwealth, Britain's partners in the European free trade association and British agriculture. It was only after all of these matters had been taken into account that the decision would be taken and also that a commonwealth conference would be held before a decision was arrived at.

The tenor of the discussion, I think, is worthy of mention, particularly in view of the gross misrepresentation that has been carried on since. The discussion was serious. The contributions were marked by a high sense of responsibility and by such restraint that comment was made on the restraint with which all members spoke. The discussion was frank; it was realistic having due regard for the gravity of the matter, and for the future of the commonwealth. There was no such thing as lamentation, as it has pleased one of the newspapers in this country to state. On the contrary, there was an amazing degree of unanimity of feeling indicated. There can be no doubt that the degree of concern and apprehension felt by the governments of all of the commonwealth countries has been underestimated by all; that means underestimated, I think, by all of the commonwealth countries, including the United Kingdom, underestimated by the press of those countries. I am quite prepared to say for myself that I had underestimated the strength of the feeling entertained by the other commonwealth governments in regard to this question and the apprehensions they feel over it.

This was the first opportunity that there had been for a collective expression of commonwealth sentiment in regard to the matter. There had been bilateral consultations in the summer; there had been a somewhat preliminary discussion of the subject at the last annual meeting of the commonwealth economic consultative council in London a year earlier; but since this became a matter of active decision on the part of the United Kingdom government this was the first opportunity there had been for a collective expression of opinion.

I think it would have been better if this conference had been held earlier, or a conference at which a collective expression of commonwealth opinion might have been heard. I think it would have been well if the suggestion of our Prime Minister had been acceded to earlier so that the collective views of all of the comonwealth countries might have been made known to all of them; for the danger of miscalculation as the result of underestimating concern and feelings of this kind is obvious.

I said there were two aspects to this question and to the changes that might be brought about by British adherence to the community. The first is political. I think that in all of the discussion in newspaper columns in this country and in speeches this feature has been largely overlooked. The treaty of Rome, it should be borne in mind, creates a new authority. The countries concerned did part with some portion of their sovereignty and therefore any country joining the community on the terms of the treaty of Rome necessarily submits to some modifications of its sovereignty. This is inevitable under the terms of the treaty itself. That fact has never been denied. Indeed, Mr. Chairman, it was discussed at some considerable length by Mr. Menzies, the prime minister of Australia, in his speech in the house of representatives at Canberra recently. Mr. Menzies is a very eminent constitutional lawyer. Quite apart from economic questions, in his speech Mr. Menzies was much concerned about the prospect of changes in political relationships between the United Kingdom on the one hand and other commonwealth countries on the other if Great Britain adhered to the community on the basis of the treaty of Rome and consequently submitted to a modification of sovereignty.

I think it would be well, Mr. Chairman, if I placed on the record some of the observations of Mr. Menzies. The date is August 16, 1961. He said:

> We cannot as yet anticipate the result of the negotiations. We can, I think, reasonably assume that Great Britain will not accede to the Treaty of Rome, unconditionally. Such an accession would bring to an end the commonwealth preferential system which has endured for many years. It would be highly damaging to Australia, and could be disastrous to our neighbour and friend, New Zealand. As the preferential system operates both ways, it could mean the end of British preferential tariff rates in our tariff schedules.
>
> On the other hand, it may be too much to hope at this stage that Great Britain will be allowed, by the necessary unanimous agreement of the six, to maintain the commonwealth preferential system completely unimpaired. Some compromise will no doubt be sought. We shall, of course,—

Please note these words, Mr. Chairman:

We shall, of course, battle for the best possible arrangements for the protection of our traditional and legitimate interests.

Further on in his speech Mr. Menzies said:

The decision that will ultimately be taken by Great Britain, to enter on the negotiated terms or to stay out, will be the most momentous peacetime decision in living memory. Upon its wisdom and success probably the future of the free world and most certainly the future of our own family of nations will turn. It follows that Australia will bring to her own negotiations with Great Britain and, as we venture to hope, with the six, not only the most powerfully presented exposition and defence of our own interests, for her own future is our special care and responsibility, but also a strong and wide sense of common responsibility. It will have been observed, sir, that Great Britain has put the six on notice of these complexities. She has told them that Great Britain must take account of the special commonwealth relationship as well as the essential interests of British agriculture and of the other members of the European free trade association.

I now turn to the broad political issues. We believe that the entry of Great Britain into the European economic community would have far-reaching political implications.

Then Mr. Menzies—

The Deputy Chairman: Order. I am sorry to interrupt the minister but his time has expired.

Mr. Benidickson: I am sure all would be agreeable to allowing the minister to continue on this very important subject.

The Deputy Chairman: Does the committee give unanimous consent to the minister to continue?

Some hon. Members: Agreed.

Mr. Fleming (Eglinton): I thank the committee, Mr. Chairman. Further, Mr. Menzies said with regard to the political implications and what they would be if Britain entered the community:

Common domestic policies will cry aloud for common external policies to protect them. If Great Britain joins, and other western European nations with her, and Europe becomes, step by step, a great power, or a cohesive agglomeration of power, Great Britain will become, we would hope and expect, a most important integer in that power. But she will, *ex hypothesi*, cease to be completely independent in relation to European affairs. This is why the decision which she must make after the proposed negotiations is so politically momentous.

And further, Mr. Chairman:

As a senior commonwealth country, we have felt bound to say that we do not think that the commonwealth as a political organism would be strengthened. Great Britain, as the centre of the commonwealth, has in the past spoken for herself at commonwealth conferences. After entering the new Europe, with its common policies and institutions and rules, she could no longer speak with detachment. The treaty of Rome cannot be approbated and reprobated at the same time. Nor could a growing interest, and, more than interest, involvement in Europe, be calculated to leave completely untouched the present British position in and around Asia and Africa.

And further:

But it would be a mistake to pretend that there was no change when in fact there had been a great one. We have not based our opinion upon any narrow ground of the importance of absolute sovereignty. All international pacts, from the United Nations to the North Atlantic Treaty Organization and the Southeast Asia Treaty Organization, involve the exercise of sovereignty to limit, by free choice, liberty of individual action. But neither United Nations nor NATO nor SEATO is a super-state. Parties to the agreement may leave as they think fit, in the exercise of the very sovereignty by which they joined. The treaty of Rome, as I have pointed out, is different. There must be unanimous agreement for the joining and the leaving. Complete independence of action no longer exists.

We pronounce no dogma. We do not seek to turn back the great tides of international affairs. We do not say that the British view of the effect upon the commonwealth of a decision by Great Britain to go into Europe is demonstrably wrong. In the present state of the world, with bullying and bluster our daily diet, it may be that the commonwealth must once more change, for the common good. Our belief is that a change is, in fact, involved. That being so, we feel bound to state our belief with firmness but with good will.

I think that is a statement by Mr. Menzies of the Australian position which is worthy of the highest respect and, if I may say so, the concluding words in which he summed up the position of the government accurately describe the position taken by the Canadian delegation at the Accra conference. We recognize that if Great Britain adheres to the community on the basis of the treaty of Rome or something much like it, then unquestionably a political change is involved, as Mr. Menzies has said. That being so, Mr. Chairman, if I may appropriate his words, we felt bound to state our belief with firmness but with goodwill. There was a great expression of goodwill at that conference, Mr. Chairman, and let no one deny that fact. Everything that was said there was said in the deepest spirit of goodwill and mutual understanding.

So, Mr. Chairman, we begin with this fact, that if there is adherence by the United Kingdom to the community on the basis of the treaty of Rome or something close to it there will necessarily be far-reaching political implications and changes within the commonwealth. It cannot be otherwise. The view was expressed by all of the countries at that conference that British leadership in the commonwealth is needed. It is necessary for the full effectiveness of this commonwealth which has such a beneficent and unique mission in the world as a multiracial society or family of equal nations. That is why the countries of the commonwealth recorded their apprehension as to the results that might

follow British membership in the six on the basis of the treaty of Rome or something resembling it.

Mr. Regier: Is that a threat to the British commonwealth?

Mr. Fleming (Eglinton): This was an expression of opinion on the part of all of the commonwealth countries. There were no threats uttered at any time by anyone. Apparently the only threats that exist are in the minds of some people who are malevolently determined to misrepresent what occurred at Accra. I want to make it very clear that correction is needed of some of the statements I have seen as to remarks attributed to me. It is said that I warned the ministers at Accra that if Britain made this move the commonwealth could never be the same again. What was said, Mr. Chairman, not only by Canada but by others, was that if the United Kingdom adheres to the community on the basis of the treaty of Rome or unless there is a very substantial change in the terms of the treaty of Rome, there will inevitably follow a change in political relationships. That is the inevitable consequence of the treaty of Rome.

Mr. Benidickson: Will the minister quote from the text that he used at that time?

Mr. Fleming (Eglinton): I did not use a text. I have the clearest recollection of what I said. I had notes but not a text.

The other aspect of this matter is the trade and economic aspect, and I shall not deal with it because my colleague, the Minister of Trade and Commerce, has already made a statement to the house two days ago and will be here to deal with that subject further. The communique draws attention in this respect to several things of which I trust all hon. members are now aware. The first is that adherence by Great Britain to the community under the treaty of Rome will involve a change in the terms of trade. Next, it will not affect all commonwealth countries equally. Some could be affected disastrously, some seriously, some not so seriously. This inequality of effect may, as the communique points out, have a divisive effect within the commonwealth.

The role of these emerging countries and of the newly self governing countries as primary producers is a matter of very great concern to them. They do not wish to be condemned to a continuation of the role of being simply primary producers. They do not see much economic security for their future if they are so confined. That is one reason why they have expressed very great concern about losing the benefit of the British market and, in order to reach the British market, having to hurdle the kind of tariff barriers that now prevent their goods from entering the markets of the six, or restrain that entry. So, Mr. Chairman, on both of these grounds, the political ground and the economic and trade ground, important changes are involved and they will inevitably follow if Great Britain, as I say, adheres to the community on the basis of the treaty of Rome.

Mr. McIlraith: I wonder whether the minister would permit a question at this point. On the day that European common market matters were being discussed, and since the direct and immediate effect of them had to do with commonwealth preference, was there any representation from South Africa who still receive preferential treatment?

Mr. Fleming (Eglinton): No, South Africa was not a member of this conference.

Mr. McIlraith: No, I understand that; but on this particular point, they still receive commonwealth tariff preferential treatment.

Mr. Fleming (Eglinton): No, there were no views expressed on behalf of South Africa.

Let me clarify one matter in passing. It has been said in some quarters that some of the commonwealth countries would be glad to take advantage of the provision in the treaty of Rome that permits the adherence to the community of associated overseas territories of the parties. The commonwealth countries, the self governing countries, made it abundantly and emphatically clear without exception that they would have nothing to do with any such status. Indeed, one delegate said he would not touch it with a barge pole. All were concerned that this would put them in a second-class position as regards sovereignty. I wish to say, in all fairness, that the United Kingdom disclaimed any thought whatever that any of the self governing countries of the commonwealth would adhere to the community as associated overseas territories. Some of the dependent countries might wish to do so, but those who were heard from indicated that they would attach very stiff conditions to their association with the community in this capacity.

So, Mr. Chairman, as the communique makes quite clear, this question was viewed as one having all the elements of gravity about it for the commonwealth. Let me take up some comments that are being made, and being made rather loosely, in regard to Britain's forthcoming negotiations with the six. It is said in some quarters in this country that the United Kingdom is compelled to join the six; that there is no future for her unless she joins the six. Well, Mr. Chairman, let me say for those who are trying to make Canadians believe today that it is inevitable

that Britain shall join the six, that is not what the government of the United Kingdom says. They do not at all accept the idea that this is inevitable and they have made it very clear that the purpose of these negotiations is to ascertain terms upon which it may be possible for Great Britain to join the six.

Then, it is said the commonwealth countries have no right to try and restrain the United Kingdom from adhering to the community, also that if they have anything to say, they should be putting forward an alternative. This conference, Mr. Chairman, was not called for the purpose of discussing any particular alternative to this proposal; that was quite beyond its scope and agenda. Anything of that nature would require a conference called on due notice.

Mr. Benidickson: Surely, you knew that this was the major item coming up?

Mr. Fleming (Eglinton): This agenda was made known a few days before the conference, yes. However, there was no thought that this conference was called for the purpose of discussing some particular alternative plan. Let me make that very clear. No one expected that at all, and no one looked for it at the conference.

In so far as the subject of an existing alternative is concerned, let me draw attention to some figures that ought to be borne in mind by some people who have been writing very freely on this subject and who seem to have overlooked the importance of commonwealth trade. It is true that the exports of the United Kingdom to the six have declined moderately in percentage terms, but the same is not true of volume or value terms. The fact is that Britain's exports to the commonwealth are three times what they are to the six. Much has been made about the large population that is available in the six as a market. Well, the population of the commonwealth is several times that of the present population of the six. I point out this fact, and it was discussed by the various ministers at Accra, that the potentialities of trade within the commonwealth are not exhausted; indeed they have not yet been fully developed.

I think it is not unfair to say that most of the countries of the commonwealth are looking for opportunities—this is certainly true of the Canadian government—for enlarging trade within the commonwealth, certainly between the United Kingdom and the other countries. Trade relations within the commonwealth are constantly under review. Of course, much of the trade in the commonwealth is now governed by agreements under GATT. They are a matter of contract; they represent concessions that have been bought and paid for on the basis of exchange. The principle that the commonwealth countries declared for at the Montreal trade and economic conference in 1958 was the principle of multilateralism in world trade. This is the policy that was declared at Montreal. It was not a restrictive policy. This is the policy to which the Canadian government adheres.

Let me remind the committee, Mr. Chairman, of some of those provisions in the report of the Montreal conference of 1958, a unanimous document adhered to by all the then members of the commonwealth. Article 7 reads:

> It is our firm belief that commonwealth countries should continue to work in no exclusive spirit towards a multilateral trade and payments system over the widest possible area. We are also convinced that there are many things which can appropriately be done to increase trade between one commonwealth country and another. Commonwealth participation in the preferential system has proved to be of mutual benefit and we have no intention of discarding or weakening it. Some of the trade agreements between commonwealth countries now require review, and work has begun on renegotiating them. It is our intention to work towards an expansion of commonwealth trade by all practicable means, and we have explored a number of these.

Then, Mr. Chairman, here is article 21:

> About half of the total trade of the commonwealth is exchanged within the commonwealth and half with the rest of the world, and it must be the aim of every commonwealth government to foster trade within and outside the commonwealth. The conference reaffirmed the policy that commonwealth countries should work to achieve a multilateral trade and payments system over the widest possible area.

Then, article 28 reads:

> The conference reaffirmed the importance of the role that preferences have played and continue to play in commonwealth economic relations. Commonwealth countries have continued to adhere to the preferential system while adjusting their policies to the requirements of changes in the scope and character of world trade.

There was an emphatic declaration in favour of continuation of the commonwealth preferential system, a system that has been of great advantage to commonwealth countries. This was the unanimous expression of the commonwealth countries in 1958.

Article 31 reads:

> The United Kingdom government confirmed its intention of maintaining as an important element in the preferential system the free and unrestricted entry of nearly all goods imported from the commonwealth.

If there is adherence by the United Kingdom to the community on the basis of the treaty of Rome, it will no longer be possible to carry that policy into effect.

Then, Mr. Chairman, the last quotation I have is from article 40.

Here let me remind hon. members that in the years 1957 and 1958 Great Britain and

other countries were engaged upon plans and negotiations for the formation of a free trade area in Europe. It was to be an industrial free trade area. It was to embrace the six; it was to embrace the other countries that are now members of the European free trade organization; but it was to be, so far as Great Britain was concerned, an industrial free trade area, and there was to be no interference whatever with Britain's trading relations in agricultural products. This was very reassuring to Canada and other commonwealth countries because it carried with it the assurance that there would be no interference with the preferred position of Canadian agricultural products in the market of the United Kingdom.

Here then is article 40:

The conference considered the influence which the European economic community might have on commonwealth trade interests and reviewed the progress of the negotiations for a European free trade area.

Mr. Chairman, perhaps I may interpose and say this was before the plans and negotiations for the creation of the industrial free trade area came to nought at that meeting in Paris on December 15, 1958, when the efforts that had been made failed completely, and from that time on the six went their way and the other countries who were not members of the six proceeded to form the European free trade association. This reference to the European free trade area is to the proposed industrial free trade area at that time. I continue:

It reaffirmed the conviction of commonwealth countries that an outward-looking free trade area in which trade would be increased rather than merely rechannelled would contribute to their common objective of an enlarging world economy. It was the belief of the conference that the European countries could make an important contribution of their own to the freeing of world trade and payments, the removal of discrimination and the expansion of world trade. Many delegations expressed anxiety lest arrangements for closer economic association in Europe should result in a narrowing of the trading opportunities for outside countries, or in the extension of protection especially in agriculture where they feared that existing protectionist tendencies might become reinforced and entrenched. The United Kingdom delegation recognized the importance of making the provisions of the free trade area such as would ensure the widest possible trading opportunities and reaffirmed the undertaking about the safeguarding of commonwealth interests in the United Kingdom market for foodstuffs including drink and tobacco. The conference reviewed the arrangements made to ensure effective and continuing consultation on these issues among commonwealth countries; and noted the progress of consultations in the GATT with the members of the European economic community.

I shall not detain the committee, Mr. Chairman, by further references to the report of the Montreal conference or the unanimous agreements entered into there as recorded in this very extensive report. In summary, in 1958 all commonwealth countries reaffirmed their belief in the value of the commonwealth preference system and reaffirmed as well the importance of ensuring the preferred access of foodstuffs from the commonwealth into the market of the United Kingdom, and that there should be no interference with that in any developing new trade arrangements in Europe.

This remains the policy of the Canadian government. We have subscribed to and have wholeheartedly upheld the principle of multilateralism in world trade. We have sought the continued expansion of Canadian trade in the world. My colleague the Minister of Trade and Commerce has pressed as hard as any minister of trade and commerce could press for the extension of Canadian markets and Canadian efforts to sell abroad. It is government policy to seek to promote our trade on the multilateral basis that is enshrined in the GATT.

These policies we believe to be important We believe they have lost nothing of their importance. Those reservations that were expressed in 1958 concerning even British adherence to the industrial free trade area apply with infinitely reinforced effect in relation to proposed British adherence to the European economic community, because in the light of the protectionist agricultural policies that are being pursued by the six today I do not think anyone well informed on this subject thinks it is possible to negotiate with the six such terms of adherence of the United Kingdom to the European economic community as will preserve the preferred position of Canadian foodstuffs in the market of the United Kingdom. Certainly no one could possibly expect that the preferred position of Canadian manufactured exports in the United Kingdom market can be preserved in the light of the policies of the six.

An hon. member a moment ago used the word "threats". Let me make it clear, Mr. Chairman, that at all times, whether you are speaking of the meeting of this commonwealth consultative executive council in London a year ago, or the Accra meeting this year, there never has been any threat. We do not talk in those terms at these meetings. We talk at these meetings as friends. We talk frankly and with a due sense of responsibility and a due acknowledgment of our very great common interests.

Mr. Chevrier: You talk as *amicus amici.*

Mr. Fleming (Eglinton): This is well known to all of these commonwealth countries, and the kind of statements that have appeared in some quarters in Canada would shock any delegate from any country who attended

this conference, because they have given such a completely misleading impression of the conference, what was said there and the spirit in which it was carried on.

It is acknowledged by all the commonwealth countries that if they are shut out of the market in the United Kingdom for any of their products as the result of terms made with the six, these commonwealth countries will have to look for markets elsewhere. These advantages are a matter of exchange; they are a matter of contract. These advantages are bought and paid for in terms of reciprocal exchange of advantages, and this is the way that in the world today countries exchange trade opportunities.

Our effort has been to preserve for Canadian producers all of the markets that they have had. I say this, that if my colleague and I had not taken that position there—as did other commonwealth countries on behalf of their producers—we would have been failing in our duty to Canadian agriculture, Canadian primary producers and Canadian producers of manufactured goods for the United Kingdom market.

The communique has been said by some to be a strong document. Well, Mr. Chairman, it was an accurate document. It correctly reported the views expressed by the numerous countries that attended that conference. The views recorded there—and that communique, of course, was an agreed document and every phrase in it was carefully weighed—properly express the consensus of views. It was written by those who have a high appreciation of the importance of the commonwealth and the contribution it makes to the world.

We make sacrifices because of our belief in the commonwealth, because we believe that the commonwealth should be strengthened. Canada has provided substantial assistance through the Colombo plan. It has been axiomatic in the policy of this government that practically all of our Colombo plan aid goes to commonwealth countries. Look at the other things that we have done with a view to bringing aid to other commonwealth countries, particularly those that are seeking to develop their resources. We do this because we believe in the commonwealth as an institution. We believe that it has a mission in the world that no existing international institution has. As the communique of July 14 points out, we would view with grave concern anything which would weaken the commonwealth, so high a value do we attach to it and to its mission in the world today as a multi-racial group or family of self governing nations bound together by ties which are really indefinable.

[Mr. Fleming (Eglinton).]

An attempt has been made to play down the Canadian government's interest in trade with the community. This does a grave injustice to the government's efforts to expand trade with the six and to strengthen our trade and economic interest in that quarter. Canada has played a leading part in the reorganization of O.E.E.C. into the organization for economic co-operation and development. We are their fellow-members with all the members of the community. Indeed, we are allies, in NATO, of all these members of the community. We have a very close relationship with it. It is not as close as our relationship with the commonwealth countries, but we value our relationship with these countries of the six and look forward to expanding our trade with them. That has been government policy and it continues to be our policy.

Because of our relationship with these countries we have been able to impress upon them, I think, the importance which we as a great trading nation attach to the pursuit of their goals by outward-looking policies and not by inward-looking policies which would have the effect of restricting trade between the community and the rest of the world.

On the subject of the attitude of the United States to this important question, I simply draw attention to the fact that at least one member of the United States cabinet has recently declared publicly that the United States would not wish the United Kingdom to adhere to the community on a basis of a continuance of the commonwealth preference system. While we were still in Accra my attention was drawn by telegram to remarks made by the secretary of agriculture of the United States, as reported in the New York *Times* of September 8, that if the United Kingdom were to join the community it would produce an intolerable situation, in the view of the United States, were it to result in a continuance of the preferential trade system of the British commonwealth on its present basis. It is the policy of the Canadian government to seek to preserve to Canadian producers the opportunities and advantages which they enjoy under the commonwealth preference system. At the Montreal conference of 1958, all the commonwealth countries reaffirmed the value of that system to them. The Canadian government also reaffirms its belief in the advantages of that system to its producers, regardless of the views other nations may have toward the preference arrangements.

Finally, may I say that I think this conference has produced very beneficial results. All the countries of the commonwealth now know fully what the views of all other countries of the commonwealth are in relation to this subject of such far-reaching importance. There can be no possibility now

of any of the commonwealth countries underestimating the views of other commonwealth countries in this regard. United Kingdom delegates are reporting back, of course, to their own colleagues just as the Minister of Trade and Commerce and I are reporting to this house.

Let is not be thought, as has been erroneously asserted in some United Kingdom newspapers, that the views of Canada were different from those of Australia or India or the other countries. There was a complete identity of views among these leading countries of the commonwealth. Indeed, I would say there was an extraordinary unanimity of view among all countries of the commonwealth. On this question we see eye to eye with the countries I have mentioned.

I close on the note on which I opened. Everyone recognized that this is a decision for the government of the United Kingdom. It is a decision to which a very great responsibility attaches because of the far-reaching consequences which would follow. As Mr. Menzies pointed out in the statement from which I have read, all commonwealth countries must sympathize with the government and the parliament of the United Kingdom in the responsibility which faces them in this regard. It is a very difficult decision for any government to make. The views expressed by commonwealth countries at Accra were not unsympathetic. They were not unmindful of the problem which faces the United Kingdom government. They fully recognized it.

Perhaps I might close by using in this house the words with which I closed my remarks at that meeting when I reviewed what had been said by the other commonwealth delegates. I pointed out that in an uneasy world we had an existing reality which we believe to be vitally important for all the world. I said we did not want to see any of the commonwealth values in this world weakened. Before this institution is in any way modified, we must be sure that we were giving up substance for substance, not substance for shadow. Having regard to the fears, the forebodings and the apprehensions which were expressed at that meeting—expressed with restraint, expressed with responsibility, expressed candidly, expressed in the most friendly way by all countries, I said: "These are not the fears of the indifferent; these are not the forebodings of the unsympathetic; these are not the apprehensions of adversaries. These are, rather, the fears, the forebodings and the apprehensions of the best friends that Great Britain has in all the world."

Mr. Chevrier: I desire to raise a point of order, and the point of order is this. According to the minister himself, the hon. gentleman has read from a part of the speech, or the concluding remarks of the speech which he delivered. I think it is the usual practice in those circumstances for him to produce the rest of the speech—in other words, the whole of it.

Mr. Fleming (Eglinton): I can assure the hon. member that nothing would give me greater pleasure than to repeat the speech I gave there.

Mr. Chevrier: I have listened to one, and that is enough.

Mr. Fleming (Eglinton): It occupied 50 minutes. I was shocked to be told that after it was completed. I have not the text of that speech, but I have my notes. As I say, it would give me great pleasure to reproduce that speech, to repeat it here if the hon. gentleman wishes.

Mr. Chevrier: That is not the point of order. The point of order was that the minister, having read part of his speech should now table the whole speech.

Mr. Green: Perhaps I might point out, on the point of order, how ridiculous that suggestion is, Mr. Chairman. For example, I understand the hon. member for Bonavista-Twillingate made a speech in Toronto yesterday. Suppose he were to get up today and quote one sentence from it. Would some Liberal be entitled to demand, on the strength of that, that he could table the whole speech?

Mr. Pickersgill: I can assure the Secretary of State for External affairs that I should be very happy to reproduce it.

Mr. Green: Yes, but nobody would be very happy to have to listen to it. I suggest it is going from the sublime to the ridiculous to try to introduce in this house the practice of the wholesale tabling of speeches.

Mr. Chevrier: I like the way in which the Secretary of State for External Affairs waives aside any point of order as being ridiculous—as going from the sublime to the ridiculous. I submit to the committee that not only did the minister read a part of the speech he made at Accra but that he read lengthy portions of the speech made by Mr. Menzies. Having done that, surely he should have no objection to producing the speech he made.

Mr. Fleming (Eglinton): The speech Mr. Menzies made was made in the house of representatives at Canberra, Australia and presumably is reproduced in the records of the Australian parliament. It is one thing to reproduce the closing sentence of a speech, but for the hon. member to ask me to table the speech is to ask the impossible because there is no text. I can assure the hon. member that I made that closing statement and if on

some occasion the house had 50 minutes or an hour to spare I will be very happy to repeat the speech I made at Accra.

Mr. Chevrier: Just let us have it.

Mr. Fleming (Eglinton): I think I can do it almost verbatim. I have my notes and a clear recollection of everything I said. My colleague who was at my elbow on that occasion will be able to correct me if I depart from the course of the speech. I will be very happy to make that speech any time the house has an hour to spare.

Mr. Hees: Mr. Chairman, I request permission of the committee to have included in *Hansard* at this point a table showing the effects which the United Kingdom acceptance of the European common market tariff could have on our principal exports to the United Kingdom market.

Mr. McIlraith: That is an interpretive document.

Mr. Chevrier: There is objection to that statement.

Mr. Benidickson: It is not based on any known government records, is it?

Mr. Hees: Yes, it is.

The Deputy Chairman: Would the minister assist the committee by giving the sources of these figures that make up the table to which he has referred?

Mr. Hees: I shall be very glad to do so if the committee wishes. The table consists of five columns which, in consecutive order, are headed: (1) commodity; (2) dollar value of Canadian exports to the United Kingdom market 1960; (3) present United Kingdom tariff on commodities; (4) final common market tariff which would be reached in stages in the next ten years and (5) commonwealth preference which would be lost. Those are all facts.

Mr. Chevrier: I object to this table being produced. A table I attempted to introduce this day was objected to and I object to the tabling of this on the grounds that it is not unlike the table I sought to produce.

Mr. Fleming (Eglinton): On a point of order, Mr. Chairman, may I point out that the statement which my colleague is offering to the committee is drawn from official government sources and was prepared for the information of hon. members. That is a status different from that of documents that are privately prepared which any individual private member of this house chooses to bring forward. This is information compiled from government records which has been prepared for the use and information of the committee.

[Mr. Fleming (Eglinton).]

Mr. McIlraith: As I understood the Minister of Trade and Commerce, this document represents the interpretation the minister places on events that might happen in the future. He is now asking the committee to accept his interpretation rather than the actual facts as they are recorded.

Mr. Hees: My whole objective in presenting this table was to give hon. members information which I believe will make it possible for them to better study this whole question which I think the hon. member for Ottawa West will agree is a complicated one. The figures I have here were prepared by the Department of Trade and Commerce and are factual. The whole intent is to make it easier for hon. members to understand what is a very complicated matter but if the hon. member does not wish to have this information tabled I shall be very pleased to follow the course of making copies available to all hon. members and to members of the press and handle it in that manner.

Mr. McIlraith: My remarks have been misinterpreted by the minister who persists in stating that these are facts. If he would examine the record he will see that he is dealing with his interpretation of future events. That is the point.

Mr. Regier: I have no objection to the tabling of any facts but I strenuously object to the tabling of expectations either on the part of the minister or his officials. I feel that his request is entirely uncalled for, unprecedented and out of order.

Mr. Hees: That is perfectly all right with me, Mr. Chairman. Obviously hon. members are not interested in discussing this matter in an intelligent way. They wish to speak on a prejudiced political basis in an effort to confuse the people of Canada in any way they can. Understanding that, I can appreciate their position. I shall deal with the table in the way I have outlined. I will make copies available to all hon. members of the house and to members of the press and in that way the members of the house and the people of Canada can become a little better acquainted with this very difficult subject.

Mr. McIlraith: I rise on a point of order, Mr. Chairman. The Minister of Trade and Commerce has put himself in the position of having imputed motives to all hon. members who disagree with him, in addition to which he has cast reflections on the characters of all hon. members. On both counts the minister is in breach of the rules of the House of Commons. I ask, therefore, that he withdraw his remarks including his imputation of motives to all hon. members.

Mr. Hees: Mr. Chairman, I have imputed motives to nobody.

Mr. Chevrier: No; you have congratulated us.

Mr. Hees: Perhaps I might be permitted to proceed.

Mr. McIlraith: I ask for your ruling, Mr. Chairman.

Mr. Hees: Oh, don't be so precious.

The Deputy Chairman: Order. As I heard his remarks the minister probably transcended the bounds of good taste to some extent and perhaps he would modify what he said previously to assist the mood of the committee.

Mr. Pugh: Bring out the modifier.

Mr. Hees: Mr. Chairman, if I have offended the feelings of any hon. members I hasten to withdraw any remarks that could possibly have offended the sensibilities of such hon. gentlemen.

Mr. Smith (Calgary South): Hon. members opposite are pretty sensitive about this subject.

Mr. Regier: I rise on a point of order, Mr. Chairman. I wish to know who has the floor. I thought the Minister of Trade and Commerce rose to table a document. Our normal custom is to have a member of the official opposition speak after the minister introduces his estimates. We allowed the Minister of Finance an additional hour in which he made a highly political speech—

Mr. Pugh: A very good one.

Mr. Regier: —and we were understanding and sympathetic. But I am now interested in hearing what the hon. member for Kenora-Rainy River has to say. I think it improper for one minister to follow another.

Mr. Benidickson: I do not wish to use up any time I may be allowed in this debate but may I point out that the other day the hon. member for Laurier, the acting leader of the opposition on that occasion, was not allowed to continue certain remarks in reply to the Minister of Trade and Commerce. The Minister of Finance indicated that he proposed to refer to the Accra conference. He dealt exclusively with that. In view of the circumstances I wish to relinquish, in favour of the hon. member for Laurier, the normal opportunity accorded a member on the opposition side to speak at this time because the Minister of Finance did not deal with the over-all nature of his estimates but confined himself to one aspect of his own personal activities connected therewith.

The Deputy Chairman: Inasmuch as the Minister of Trade and Commerce did not get launched on what he had to say, we will follow the practice normally followed in committee and call on the hon. member for Laurier.

(Translation):

Mr. Chevrier: Mr. Chairman, I thank my colleague, the hon. member for Kenora-Rainy River (Mr. Benidickson), for giving me the opportunity of making comments on the speech which the Minister of Finance (Mr. Fleming) has just delivered.

I listened closely to the minister who was long-winded as usual—that is his privilege.

Mr. Chairman, it is quite remarkable that every time a senior member of this government attends a conference, he is always in the embarrassing position of having to explain his statements in the house on his return.

For instance, when the Minister of Veterans Affairs (Mr. Churchill) came back from his trip to Hong Kong, he complained rather bitterly about the way newspapers had treated him. The main victim of his criticism at the time was an American newspaperman. Today, we are witnessing a somewhat similar situation following the statements made by the Minister of Finance and his colleague, the Minister of Trade and Commerce (Mr. Hees). In fact, both of them have claimed that their statements were misinterpreted not only in press or radio reports but even by the Leader of the Opposition (Mr. Pearson).

The Minister of Finance was quite peeved at the radio commentators who yesterday morning and yesterday evening openly condemned the government's policy at the Accra conference. The commentators strongly criticized the stand taken by those two ministers. So it was with the Leader of the Opposition. The Minister of Finance feels that the latter lacked courtesy when he asked a question and made certain comments during a discussion on that subject in the house, on the orders of the day.

The Minister of Finance complains that the Leader of the Opposition has said about him that he was squealing before being hurt. And what is more, he finds fault with the statement made by my colleague from Bonavista-Twillingate (Mr. Pickersgill) in Toronto—

Mr. Fleming (Eglinton): That was not a statement; it was a false charge.

Mr. Chevrier: Once again, the minister is saying that it was a false charge. In that case, I would ask him to make known the contents of his speech so that we may know whether or not the Minister of Finance and the Minister of Trade and Commerce have actually made the statements they are reported to have made—

Mr. Fleming (Eglinton): Mr. Chairman, I rise on a point of order. I have stated that I would be glad to deliver again in the house the speech I made in Accra, if the hon. member would give me the time to do it.

Mr. Chevrier: Mr. Chairman, I do not intend to listen to the minister for another hour. I listened to him long enough a while ago. If he can repeat the speech he made over there, why not write it down and hand us a copy so that we would know exactly what he said because, as I stated at the outset of my remarks, it seems quite strange to me that every time the Canadian ministers take part in an important conference, they are always misquoted either in the press or elsewhere.

Mr. Valade: They are simply misinterpreted by the Liberals.

Mr. Fleming (Eglinton): It is not the reports—

Mr. Chevrier: As regards the common market, this government has no positive policy. On the contrary, it seems to have adopted a negative policy for it is saying to the member countries of the common market: "Do not belong to that organization lest you harm us," whereas it should consider carefully and thoroughly the respective situations of the nations of the Inner Six in order to see whether it would not be possible to come to some agreement or association with those nations.

We on this side of the house believe that the stand taken by the government on this question is wrong.

We believe more than anything that in view of the serious situation of our times, we should do all we can to unify the commonwealth instead of dividing it. We should not try, as I said a moment ago, to cause a division among the nations of the commonwealth, thereby weakening the free world.

We must obviously protect Canada's interests before and above everything else, but is there no other way to protect those interests beside the one adopted by both ministers?

[Mr. Fleming (Eglinton).]

Do I have to say here that it is within the inner six that the current expansion is the most dramatic? And this is why, in my opinion it is in those countries that tariffs should be reviewed.

By the extraordinary economic evolution, the gradual reduction of customs tariffs, in conjunction with the wide opportunities of a competitive market of 180 million people—which is comparable to the American market—there has been achieved a real economic revolution within the inner six: France, West Germany, Italy, Luxemburg, Belgium, and the Netherlands. The results—as the minister probably knows better than I—of that European structural reconversion were soon felt. Today, the productivity of large European industries is comparable to that of the United States and Canada. Living standards are rising. The expansion rate of the six is the quickest in the world except, perhaps, in Japan. All productive potentials, manpower and equpiment, are fully used. Unemployment is virtually unknown there. In 1960, production has gained 8 per cent in the countries of the common market. The manufacture of steel, which is a significant index of industrial activities, has increased by more than 15 per cent, as compared to 8.5 per cent in the Soviet union and 5.3 per cent in the United States.

Now, in spite of that rapid growth, prices have remained firm. The cost of living has not risen excessively. In short, the economic prospects are so attractive that it is not surprising if American, British and even Canadian capital is migrating to those countries.

For instance, Polymer Corporation Ltd., of Sarnia, Ont., is going to build a synthetic rubber plant in Strasburg, France; Massey-Ferguson is expanding and converting its plants in that country; and, also in France, Seagram's is taking an active part in the wine industry. Those are facts, which goes to show very clearly that, as a result of the expansion going on there, Canadians, Americans and British are considering the possibility of establishing themselves there while we, on this side of the ocean, are more and more inclined to move away from there.

We have to admit, Mr. Chairman, that North America does not strike a very brilliant figure in comparison with what is going on over there. In the last four years, the expansion rate of our economy has been very slow. Investments in industrial equipment are declining. We had a recession in 1957-58, and another one in the spring of 1960. Unemployment in this country has now reached disquieting proportions. In 1960, our per capita

production was 5 per cent lower than in 1956. The upward trend in our exports is slowing down and, although they were satisfactory last year, they fell off these last few months, which causes some concern for 1961 and 1962. Our balance deficit is getting worse and the United States are not in a better position than we are, as the deterioration of their balance of payments is marked by an alarming outflow of gold and a threat to their dollar. Most of our industries suffer from a surplus of unused potential. In short, our economy is far from working at full capacity.

I therefore reiterate the question: What is the Canadian government doing in view of this situation? Unfortunately the government does not have a definite policy in connection with the common market situation. On the other hand, the government is worried, as it should be, about what would happen if we lost our British markets, and the government voices protests and threats. The Minister of Finance may well complain. Here is what a European leader recently said in Brussels, with regard to this whole matter, to a correspondent of the *Financial Post*:

> You should explain to Canadians that, even if we understand their problems, Mr. Fleming's threats cannot intimidate us... If our actions fail to please you, you are free to take any steps which your government thinks necessary.
>
> We like Canadians very much. But do not think that a market of 18 million people could, by any protests, bring about a change in our basic policies. You should keep a sense of proportion.

And he concluded by saying:

> If, out of sheer spite, you draw back into a protective shell, you will only complicate and multiply the troubles facing your economy.

I should now like to read into the record the words of somebody who was at the conference, somebody you never failed to quote here in this House of Commons, because he writes in the *Gazette;* the Minister of Labour (Mr. Starr) among others quoted him with glee the other day, when his estimates were being discussed. I am thinking of the financial columnist of the *Gazette,* Mr. John Meyer, who, on September 13, wrote the following paragraph during the commonwealth economic conference:

(Text):

Mr. Fleming (Eglinton): He wasn't there.

(Translation):

Mr. Chevrier:

> The Canadian government delegation at Accra is wasting its time trying to impress the British, and thus contributes to strengthen the view that Canadians are not able to look after their own business. For the last two years, the Canadian government did nothing to anticipate the effects of London's participation in the common market. All it did was threaten—
>
> That conference, like the previous ones in London and Ottawa, shows that our policy has failed.
>
> We are creating the impression of wanting in vain to oppose the rising tide of European economic expansion.

Mr. Martineau: Has the hon. member said that Mr. Meyer attended the conference at Accra?

Mr. Chevrier: Yes, I said that, but I accept the correction of the minister that he was not there.

All the same, the fact is that the *Gazette*'s columnist, a financier working for a paper quite sympathetic to this government, has written what I have just quoted.

Mr. Fleming (Eglinton): He has written nothing from Accra on this subject, I assure you.

Mr. Chevrier: He wrote what I just quoted and this shows clearly the views of his newspaper recognized in Canada for its Conservatism.

But I have another quotation to add to that one, from Mr. Olivier Moreau-Neret, who addressed the French chamber of commerce in Montreal only a week ago. He spoke on the French economy, the common market and Canada's stand concerning the common market.

Mr. Moreau-Neret, whose remarks have been reported in *Le Devoir, Le Nouveau Journal* and *La Presse* of September 21 said:

> Why are Canadians so concerned with the common market? We had the same concern in France about the common market, we were afraid of it, we joined it with apprehension but we joined and we are quite happy because our industries have been greatly revitalized.

Those are the very words reported in *La Presse* of September 21, 1961.

Incidentally, this French banker, who is chairman of the "Credit-foncier franco-canadien" and, through his corporation, is greatly interested in Canada as a whole, said:

> The common market may be the factor that did the most to rejuvenate France. We used to live in an atmosphere of extreme protectionism that was perhaps justified at one time, but that crystallized old habits and caused a lazy ageing of economic structures.
>
> In America, when nylon was killing flax, that was too bad for flax. We, in France, were subsidizing flax growers! With the common market, those methods are no longer admissible.
>
> And that is why, since we joined the common market, he added, the French economy has become young and strong once again.

A while ago the minister had American statements to put on record. Is he aware

that a great number of important American people are in favour of an association between North America and the countries—

Mr. Fleming (Eglinton): It is not in the interest of Canada or of the commonwealth.

Mr. Chevrier: Well, then listen to this. The suggestion and proposal of a common market were put forward by leading statesmen like Mr. Ludwig Erhard, Mr. Nelson Rockefeller, Mr. Adlai Stevenson, Mr. Kampmann, prime minister of Denmark, ex-secretary of state Dean Acheson, one of the promoters of the Marshall plan and NATO, Mr. Faure, French minister of economic affairs, and the Prime Minister of Great Britain, Mr. Macmillan, during his recent visit in Ottawa.

Of course, the Leader of the Opposition (Mr. Pearson) advocated that idea time and again in this house.

An Atlantic economic community would give real economic meaning to the Atlantic alliance and strengthen its political cohesion where there is very much room for improvement. It would give more strength to free world unity against communist expansion. It would increase our trade with Europe and consequently reduce our dependence on the United States.

And I stop here to say that if the minister maintains his stand, he will have no alternative but to advocate economic union with the United States. But we on this side of the house would object and muster all our efforts against an economic union with the United States which could only lead us to a political union.

Mr. Fleming (Eglinton): Are you still a Liberal? Your policy has changed.

Mr. Chevrier: I am not advocating a new policy; this is the policy of my leader, it is the Liberal policy that I am recalling here, and it is the policy that I would have liked to put on record the other day when I was interrupted by Mr. Speaker, who was obviously acting in accordance with the rules of the house.

Finally, I submit that such a step on our part might solve the difficult problem arising from the relations among the six and the seven, for it would entail, a far-reaching decision.

Mr. Chairman, Canada should take the lead and extend the European accomplishments to the Atlantic area so as to form a larger association, out of the existing groups, by establishing an Atlantic economic committee on which we would sit, and we would then take advantage of the economic integration of free trade and of a large competitive market.

This is how we must meet the challenge of the success attained in Europe, that I—

I shall put on our official record a sentence which expressed my thought: "If you can't fight them, then join them".

Then, instead of fighting against this movement, as did the two ministers who represented us over there, it seems that we should have tried another strategy. The situation would be altogether different if a definite policy, that we could have discussed in this house, had been suggested.

I shall close my remarks by saying that we condemn the stand apparently taken by the two ministers and that we—

Mr. Fleming (Eglinton): The stand was not taken by the two ministers and you know it very well.

Mr. Chevrier: I said "apparently taken by the two ministers". And, along with the Minister of Trade and Commerce (Mr. George Hees), as long as you do not produce the statements which you have read and used over there, we on this side of the house, have the right to—

Mr. Fleming (Eglinton): I already said that I had no written statement; there is nothing that I could possibly read.

If the hon. member (Mr. Chevrier) continues to ask me to read a text—

Mr. Chevrier: Well, Mr. Chairman, if it is true that the hon. minister has no text, he could at least write down what he said. But the Minister of Trade and Commerce has a text; let him produce it. He said that he had inadvertently handed it to the reporters over there. I therefore believe that we should see this text, for the newspapers have, apparently, interpreted that text in a manner which was quite unfair to those ministers.

I pity the ministers for the injustice they have to suffer from the press, radio, the Leader of the Opposition and some of my colleagues. What injustice. They always complain when they come back from long trips. I was just about to say: Travellers from afar can lie with impunity, but I will not do so because that would be contrary to the standing orders. Yet, Mr. Chairman, I should like to conclude my remarks—

An hon. Member: Read a text.

Mr. Chevrier: If I did have the minister's text, I would certainly read it, but I only have extracts. I shall not press this matter any further.

I should like to conclude by reading into *Hansard* part of a document which is prepared regularly by the government's information service at Canada House, in London, a service which is well known to any member who travels a bit. Here is what that document issued by Canada House, in London, said about the conference. The comments, which are taken from the *Sunday Telegraph* of September 24, read as follows:

(Text):

But we would do well to pay far more attention to the implications of the commonwealth finance ministers unqualified disagreement of the week before.

Even now, I am not, repeat, not sure that the burden of the Accra communique has been fully understood here . . . Recording that all other commonwealth representatives expressed grave apprehension and concern at the British application to join the common market, it doubted whether we would, in fact, be able to negotiate adequate protection for commonwealth interests, and implied the complete collapse of the commonwealth as a political entity without such protection.

But behind this lies something new. Until Accra, it had been commonwealth policy to insist on the need for its various economic interests to be accommodated in an U.K.-common market agreement. The Accra communique represents, for the first time, a deliberate attempt to sabotage British entry altogether.

Mr. Fleming (Eglinton): An utterly false statement.

Mr. Chevrier: Well, you had better get it straight at Canada House; this is your own document.

Mr. Fleming (Eglinton): This is not a statement from Canada House. The hon. member is quoting now a statement from a United Kingdom publication and he is trying to drag in Canada House. All that Canada House does is to gather together these statements appearing in the United Kingdom newspapers, so let us not have any misrepresentation about Canada House.

Mr. Chevrier: Is this a point of order?

Mr. Fleming (Eglinton): This is a false statement in a British newspaper.

Mr. Chevrier: The minister likes to interrupt me, but whenever I interrupt him he calls on the rules of the house to be put into effect.

Mr. Fleming (Eglinton): The hon. member is quoting a false report.

Mr. Chevrier: I should like to continue with this report.

Mr. Fleming (Eglinton): It is a false report.

Mr. Chevrier: It emanates from Canada House, London.

Mr. Fleming (Eglinton): No, it does not.

Mr. Chevrier: Yes, it does, and I continue with the last paragraph.

Mr. Fleming (Eglinton): Mr. Chairman, on a point—

Mr. Chevrier: I quote:

At present, this is the policy—

Mr. Fleming (Eglinton): On a point of order, Mr. Chairman—

Mr. Chevrier: I do not yield, Mr. Chairman.

The Deputy Chairman: The Minister of Finance, on a point of order.

Mr. Fleming (Eglinton): The hon. member is reading a document which he says comes from Canada House, and he is trying to put the authority of Canada House behind it. That is not a document, Mr. Chairman, that has the authority of Canada House behind it any more than the post office of this country is responsible for the accuracy of the texts it may carry through the mails.

Mr. Benidickson: Canada House sent it out.

Mr. Fleming (Eglinton): If the hon. member is pretending that Canada House stands behind this, that is a misrepresentation. This is simply an extract from a British newspaper, and the article was written by someone who was not at Accra. It is not an accurate interpretation of what happened at Accra.

Mr. Chevrier: The minister is annoyed by what I have said.

Mr. Fleming (Eglinton): Because it is a departure from the truth.

Mr. Chevrier: I have not departed from the truth. I said at the outset of my remarks, if you had listened or if you had understood, either one or the other, that this was prepared by the information office at Canada House, and I submit I have the right to read the last paragraph. I quote:

At present, this is the policy only of the Canadians, whose eloquent finance minister, Mr. Fleming, drafted the document. Mr. Fleming, a political to his fingertips,—

Mr. Fleming (Eglinton): I can help the hon. member with what was said.

Mr. Chevrier:

—is well aware of the value of the appealing over the heads of the British government to the profound fund of commonwealth sentiment that exists in this country.

(Translation):

In concluding, I should like to say that I understand now why the minister did not like the last part of that statement. He did not like it because probably—

Mr. Fleming (Eglinton): That report is false.

Mr. Chevrier: The minister says that the report is false. Then, everything I said since the outset of my remarks must be false or inaccurate.

I should like to tell the minister that since neither he nor his colleague will consent to show us the text of what was said over there, I will accept the report which appeared n the Canadian newspapers.

Mr. Chairman, it is six o'clock—

Mr. Fleming (Eglinton): You would rather believe what is not true.

(Text):

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at 7.30 p.m.

Mr. Regier: Mr. Chairman, a very long report was given to this committee by the Minister of Finance as to what had happened at the Accra conference. I remember the last election only too vividly. At that time I had been given to understand that the Conservatives, if they received the confidence of the Canadian electorate, which they did, were going to end the days where we had all our eggs in one basket, as the saying is. They were going to transfer much more of our trade away from the U.S.A. and there was going to be a great enhancement of our trade with the commonwealth and especially with the United Kingdom.

I have also been in this house long enough that I remember only too clearly the day when the present Secretary of State for External Affairs accused a former government of giving Britain a stab in the back. This had to do with the attempted invasion of Egypt by Britain. I feel that at this particular time this government is giving the government of the United Kingdom a stab in the back, a much worse kind of stab than the St. Laurent government might ever have inflicted upon the motherland.

We have had a number of debates in this house on the importance of the European economic community. Members of both opposition parties have repeatedly urged this government to ally our economy more closely with the economy of the United Kingdom. I remember very well the day when the hon. member for Ottawa West introduced a resolution in this house advocating a free trading arrangement between Canada and the British West Indies. The government has paid no heed to these recommendations, and now a goodly number of us are afraid that we are about to see the end of the British West Indies Federation. I am sure no member of this committee would like to see the disintegration of the British West Indies Federation. I should like to read from the editorial page of the *Financial Post* of September 30. The editorial states in a concluding paragraph:

> Is there no commercial bargain Canada could afford which would make confederation attractive to Jamaica? Their vote was not so decisive as to be irreversible.

I should like to pose this question to the government of the day. If they had paid any heed to the proposal which was put before this house in a resolution brought forward by the hon. member for Ottawa West, the vote in Jamaica might well have been different.

I believe that the Canadian government at the present time is guilty either of asserting its desire to supplant the United Kingdom in its traditional role as the leader of the commonwealth or, for other reasons which I shall not enumerate, of attempting to sabotage the whole concept of the commonwealth. Many articles have appeared to the effect that the Canadian government is attempting to take over from the United Kingdom the role of leadership within the commonwealth. I was amazed when the Minister of Finance this afternoon used the phrase "commonwealth values will weaken". That is the substance. I had never imagined that commonwealth ties were based primarily on dollars and cents, but apparently the government of the day places a greater value on immediate and selfish Canadian commercial interests than on the traditional and historic values which so many of us have always associated with the concept of the British commonwealth. The minister's own words were "commonwealth values will weaken". That is the substance. If the financial loss to Canada is the substance of our loyalty and love for the commonwealth, then I say that this Tory government is not a Tory government in any sense of the word but a purely selfish government. If commonwealth ties will weaken because we will lose money, then I say that this Tory government is being disloyal to its own name.

Mr. Fleming (Eglinton): You are not telling the truth.

Mr. Regier: It is a wrecker of the commonwealth if it has that kind of attitude.

Mr. Fleming (Eglinton): That was not the Canadian attitude.

Mr. Regier: A year ago I said that the Minister of Finance was marching around western Europe like the abominable snowman with a club over his shoulder. He has not foresaken that club, and his speeches and the reports we have had out of Accra show that he is still marching around with that club over his shoulder attempting to dictate to the

United Kingdom. Despite all the bland assurances of the minister this afternoon that this decision is one for the United Kingdom to make, we cannot forget that this government is attempting to enlist as much support as it can in the rest of the commonwealth in order to prevent the United Kingdom government from looking after the interests of its own population.

I was pleased that the minister at no time attempted to deny that the immediate best interest of the United Kingdom is to ally the economy of the United Kingdom with that of the European community.

Mr. Fleming (Eglinton): Evidently you did not listen to me.

Mr. Regier: All we are saying is that this government ought to be aiding and assisting and joining with the government of the United Kingdom, not only so that there might be a greater interchange of goods between members of the commonwealth themselves but also between nations belonging to the European economic community and commonwealth nations. That would be an approach which, in the long run, would really be worth while and one which would be worthy of the interest and the sentiments of the Canadian people. I can only recall, in conclusion, the words used by the Secretary of State for External Affairs, as he now is, at a time when Great Britain was in difficulty in the Middle East when he said: "This government is, really, pushing a knife into the back of our mother country."

Mr. Fleming (Eglinton): That is a malicious untruth.

Mr. Regier: It is not a malicious untruth, and the minister is well aware of it.

Mr. Chevrier: On a point of order, the minister has no right to say that it is a malicious untruth. That is a reflection on the hon. member. He may say a statement is untrue but to say that it is malicious is contrary to the rules which govern this committee. The minister should know better than that.

Some hon. Members: Withdraw.

Mr. Regier: I am very happy to let the record speak for itself. If the Minister of Finance wishes to leave that on the record it is up to him. He has often made retorts in the heat of the moment. As I say, I shall leave it up to him.

I had expected that this debate would have been concerned with the estimates of the department. I wish, now, to return to those estimates. I know that we have concluded the debate on the dominion-provincial tax arrangements. However, I do want to add one statement to what has been said, and I think it is appropriate at this time. Even though I come from British Columbia, one of the wealthiest areas of the dominion, and even though our premier continuously rants and rails at the hard deal he pretends he is getting from the federal government, I should like to say that I am a Canadian first and a British Columbian second. Despite the legislation which was approved yesterday, I hope this government will give serious consideration to doing much more on behalf of the "have not" provinces of Canada than has been indicated up to now. I realize that in terms of the legislation which has been passed today, in the long run my own province of British Columbia is going to lose. However, despite that, a decision has been made and I am not referring to that decision. I do hope that many times the aid which has so far been given will be made available to Newfoundland, New Brunswick and Nova Scotia.

It almost breaks your heart to walk into a school house in rural Nova Scotia and see how little those people who have always loved education so much are able to offer their children compared with what we in British Columbia are able to offer ours. I hope the day is not too far distant when the government will appeal to the Canadian people as a whole to make many more tens of millions of dollars available in order to enable the boys and girls of eastern Canada to enjoy the same opportunities and rights that are presently enjoyed by the boys and girls of Ontario and British Columbia.

I fail to see in the estimates any indication that the present government is aware of the fantastic discrepancy that exists in the opportunities that are available to Canadian children in one part of Canada as opposed to another. I assure the government that when it decides to spend not $25 million but $250 million annually in order to ensure equality of opportunity among Canadian children I shall go out on the public platform in British Columbia and defend the action and attitude of the government in that regard.

I turn now to the subject of interest rates, a major item in the estimates. I wish to underline the importance of a reduction in prevailing interest rates to our prosperity and national welfare. This government proposes to spend no less than $747 million on interest on the public debt. This is roughly ten times as much as we propose to spend on the C.B.C. which offers so much of value to the Canadian public.

Mr. Benidickson: Three million dollars more on interest than Mr. Harris spent.

Mr. Regier: The government proposes to spend through the Department of Agriculture

an amount that is roughly one fifth of the amount the minister proposes to spend on interest on the public debt. The Department of External Affairs intends to spend only $88 million. Our contribution to world peace totals $88 million but our homage to the money lenders will represent an expenditure ten times as great. This levy will be hard on the taxpayers and I appeal to the minister in the interest of the welfare of our Canadian economy.

I have in my hand the September 30 issue of the *Financial Post*. In another editorial I notice a report to the effect that Canadian manufacturers now must invest $13,377 per employee in equipment and facilities. I hope the government realizes that a lowering of interest rates by 2 per cent in relation to the total working force and the investment I referred to would make possible an increase in wages of $22.30 per month. I used the figure of 2 per cent deliberately because since this government took office interest rates not only to governments but to individuals and corporations have increased by more than 2 per cent. A lowering of interest rates by some 2 per cent would make possible an increase in wages or a reduction in the cost of production and would make us more competitive in the world, involving an amount of $22.30 per month for every individual employed in industry.

Not many Canadian realize the important role the level of interest rates plays in our cost of production at this time. I feel the minister does not appreciate it nor did the former governor of the Bank of Canada. Incidentally, I was happy to observe that at long last the minister has assumed responsibility for the monetary and fiscal policy of this nation. I believe all Canadians breathed a sigh of relief when the problem was resolved at long last.

Mr. Fleming (Eglinton): That was possible only after there was a change of governors.

Mr. Regier: If the minister now wishes to reverse himself I leave that up to him. I read carefully the statement released by the new governor and that released by the minister at the time of the appointment. If the minister wishes to reverse himself in this regard that is strictly up to him.

Mr. Fleming (Eglinton): I said that that was possible only after a change of governors.

Mr. Regier: I did not agree with the policy of the former governor that interest rates have to be left to find their own level. If he wants to I believe the minister can do much toward reducing the level of prevailing interest rates paid by all governments, individuals and corporations.

[Mr. Regier.]

While on that subject I wish to present an idea to the minister. The hon. gentleman has been visiting in many parts of the world and has met many new people. I hope he has acquired many new ideas. If that is so he may not be very receptive to a proposal. However, I believe it would be in the national interest if at least once a year there was a meeting of the federal government and of provincial governments at which they would express opinions on and assess all their borrowing needs for the ensuing 12 months including the borrowing needs of all municipalities, hospitals, school boards, etc. I understand this has been done for a number of years in another commonwealth nation where the central government meets with the governments of the state once a year and makes a survey of all their borrowing needs. They then obtain information concerning how much investment capital might be available within the nation for the purposes of government and agencies of government. As I understand it, once the formula has been agreed upon, then the federal government does all the borrowing on behalf of the provinces, the municipalities, the school boards, the hospitals, and so forth, and it allocates the money that it has been able to borrow on a previously agreed upon formula. This would bring about a tremendous lowering of the interest burden that now has to be borne by us when we pay our school taxes, our hospital levies, our municipal taxes and our provincial taxes. All the borrowing is done by the federal government on a mutual understanding with all levels of government. I believe this would be a great improvement upon the existing situation where there are levels of government of all kinds and government agencies competing with each other on the money markets in order to obtain their required funds.

While I am on my feet may I say I hope that before these estimates are concluded the minister will express the attitude of this government in regard to what I believe is the issuing of money on the part of provincial governments. Our government in British Columbia has been issuing bonds payable on demand with interest. In my books this in effect is no different from a dollar bill. Once a government issues a bond payable on demand with or without interest it is the same as issuing money. I might warn the minister that unless this government takes a position on what is happening in this regard he may find 10 provincial governments issuing currency of this kind and his whole monetary and fiscal policy will go out the window. I believe that the right to issue currency is within the exclusive jurisdiction of the federal government. I hope the federal government will take a look at this business and will

assert its rights in this regard, as it had to do on another occasion many long years ago with respect to the activities of another western government.

I know the government is most concerned about its deficit. I am sure the Minister of Finance is not happy at having to record his fourth or fifth consecutive deficit. The forecasts he has made have been so wrong. The newspaper world is encouraged to report a 3 per cent increase, I believe it is, in our gross national product. I should like to analyse that report and to see what it means in terms of our dollar today and of our per capita production, because the minister is aware of the fact that there has been a decline in the per capita production of goods and services ever since this government took office. Percentage-wise the decline has been considerable. I believe the minister also knows that our economy needs a 6 per cent per capita per annum growth in order to supply the employment opportunities that the country needs.

I would suggest to the government that this is its responsibility, if it wants to balance the budget and bail out the minister before he gets appointed to some other place. The way to do it is to get the economy going again, and to get it rolling at least to the extent of a 6 per cent increase per capita per annum in real wealth. If the government will take measures that will enhance and boost the economy to that extent I shall have no quarrel to find with a deficit if it is designed to fulfil that purpose. But the deficit was designed only to patch up the immediate situation; it was not designed to give our economy the boost that it needs. If the government is going to give our economy that boost, then the day is not far distant when the minister will no longer have to report a deficit; he will be able to report a surplus instead. You cannot report a surplus when you have a million people unemployed.

I hope the government is going to do much more in the months immediately ahead than it has done in the past to get Canada on to a rolling start. Among other things there is need to associate ourselves with the economies of western Europe and of the United Kingdom. If we intend to bury our heads in the sand and think that we can continually live off the little bit of the spillover of prosperity that may come to us across the 49th parallel we will be hurting not only our own Canadian welfare but we will be also very seriously damaging the cause of western unity and of world peace.

Mr. Hees: When I rose before the dinner recess, Mr. Chairman, as you know, I asked permission to have a table inserted in *Hansard* which I thought would be useful to hon. members and would enable them to study the important question that is of so much interest to the committee, namely the possible entry of Great Britain into the common market. That permission was denied by the opposition. That, of course, is understandable because they do not want to be confused by knowledge or facts; they would far sooner go on approaching these matters from the point of view of ignorance and not know the facts about the matter they are discussing. However, as I said, I have arranged to have that table distributed to hon. members. I know members of the opposition will not look at it because they do not want to be informed, but I know that the Conservative members of parliament, who are good members of parliament, who want to be advised about important matters of the day, will study it with great interest. They will see it shows the effect which the United Kingdom acceptance of the European common market tariff could have on our trade with the United Kingdom market. After studying it, I feel that hon. members will understand why I took such pains at Accra to point out to the United Kingdom government the importance to Canada of maintaining our present trading arrangements in that market.

We are convinced that when another government is contemplating action which we believe could seriously affect the welfare of Canadians, it is our duty to bring that matter to the attention of the other government well in advance of the contemplated action being taken, and this we have done. The official opposition objects to our having done this, as shown by the words of the Leader of the Opposition when he said in this house on Friday, September 15, as recorded at page 8407 of *Hansard*:

> May I ask the Prime Minister a question arising out of what he has just said. In view of what he has said, will the right hon. gentleman instruct the ministers concerned to stop their public squealing before Canada is hurt.

I can quite understand the Leader of the Opposition saying this, Mr. Chairman, as the government of which he was a member never did have the courage to speak up to another government about matters concerning the welfare of Canadians until after action had been taken, and it was then too late to do anything about it. The former government would then squeal piteously, but, of course, it was too late.

The leader of the C.C.F. party took a different and much more objective view of this whole matter when he commented on it last Tuesday. He suggested, if I interpret his remarks correctly, that Canada should make application to join the European common market, and I should like to comment now on that suggestion. The countries

which form the European common market are steadily reducing the tariffs which apply against each member country until they disappear and there is free trade among the countries which form the group. By the end of this year these internal tariffs will have been cut approximately in half.

Manufacturing industries in the European common market countries have a high degree of efficiency and a great deal of technological skill. They also have lower wage rates than we have here in Canada. The result is that they produce products of good design and quality at prices which are usually lower than those at which similar Canadian products can be offered for sale. The result is that if our manufacturing industries in Canada are faced with competition on a free trade basis with the industries of western Europe, they will, in most cases, come off second best, with the consequent loss of production and employment.

More than one quarter of our people in Canada are directly employed in manufacturing industries, and a great many more are employed in industries which service manufacturing, such as transportation, production of power, and so on. I would estimate that somewhere between one third and one half of our people are directly affected by the level of manufacturing activity in this country, and many more, such as the shopkeepers in the industrial areas, are indirectly affected.

Although the need for maintaining a strong and healthy manufacturing industry is particularly important to those areas in Canada where manufacturing is concentrated, it is equally important for the future in those areas where secondary industry must be developed so that the economies of all parts of the country may become diversified, and not be dependent on one or a few primary industries. The past summer, Mr. Chairman, has given us a prime example of how the weather can affect the income of large numbers of our people living in areas which depend largely on agricultural production. The new manufacturing industries which we must develop in all parts of the country cannot be developed if they have to face free trade competition from the industries of western Europe.

These are matters which must be kept very much in mind when we are considering the desirability or otherwise of joining various trading groups. I can assure all hon. members that these questions are being intensively studied by the government, to make sure that the best possible arrangements for our country as a whole are worked out.

[Mr. Hees.]

In speaking for the official opposition, the hon. member for Laurier was less specific than the leader of the C.C.F. in his suggestions as to the action the government should take. He contented himself mainly with protests against the approach which the Minister of Finance and I took at Accra on behalf of our farmers, our fishermen, our lumbermen, our miners, our other primary producers and our manufacturers. He objected on behalf of his party—

Mr. Chevrier: Mr. Chairman, I rise on a point of order. The member for Laurier made no such affirmation and the minister either was not listening to the speech which the member for Laurier made or he did not understand it because I made no such affirmation, nor do I recognize the language the minister has just quoted.

Mr. Hees: I am referring to a speech by the hon. member for Laurier which I listened to with great attention this afternoon, wherein he found great fault with what the Minister of Finance and I did at Accra, where we put forward very clearly and incisively the position of Canadian producers of all kinds, our farmers, our fishermen, our lumbermen, our miners, our other primary producers and our manufacturers.

Mr. Chevrier: That is not so.

Mr. Hees: That is what we did, Mr. Chairman. I claim that is what we did. I was at Accra and so was the Minister of Finance. We both know what we said and we put forward on behalf of Canada—

Mr. Chevrier: I rise on a point of order.

The Acting Chairman (Mr. Creaghan): We have had two points of order on the same subject. I listened to most of the debate this afternoon and I am more or less in agreement with both hon. members. It seems to me that the fault, if any, is brought about by the fact that we have had two types of allegations. I think the Minister of Trade and Commerce legitimately has the floor and if the hon. member for Laurier will permit him to proceed I am sure more progress will be made.

Mr. Chevrier: Mr. Chairman, under the rules of the house I am not going to allow the minister to proceed if he is stating things that I did not say. What he is trying to do is to take words out of context and put them into a text which has been prepared for delivery for him here. I will not stand for that because that is contrary to the rules of the house. What I did today was to complain bitterly about the attitude that had been taken by these ministers as reported

in the press, and unless they produce the documents containing the statements they made there they have no right to complain about my statement in the house.

Mr. Hees: The Minister of Finance and I have made very clear what we said at Accra. As the spokesman for the C.C.F. party said quite rightly, when an hon. member states that he did or did not say something, it is considered proper procedure for other hon. members to accept what he says. I have said, and the Minister of Finance has said, that when we were at Accra we put forward very sincerely the reasons why it is necessary to maintain our present trading arrangements in the British market, arrangements which benefit our fishermen, our farmers, our lumbermen, our miners, our other primary producers and our manufacturers.

Mr. Pickersgill: That is not in the minister's text.

Mr. Hees: The Acting Leader of the Opposition has objected very strongly to the attitude that we took, and the fact that we put forward these views strongly and clearly. The Minister of Finance pointed out that the Right Hon. Mr. Maudling, who was at that meeting, said that the views that had been expressed had been put forward in a moderate and constructive way.

Mr. Chevrier: There are many others who state the contrary.

Mr. Hees: I would think that the hon. member for Laurier would accept the view of an independent British minister who was there, and has said what he heard, instead of what the hon. member for Laurier thinks he would like to believe was said there.

Mr. Pickersgill: May I ask the minister a question?

Mr. Hees: Certainly.

Mr. Pickersgill: Could I ask the minister if he said at Accra: "And so we in Canada are convinced that we are considering not only an economic problem which has far-reaching implications for all of us but also a problem which involves the future of the commonwealth itself"?

Mr. Hees: That is correct. I said that, and expressions of that kind were made by virtually every delegation that was there.

Mr. Pickersgill: The slippery slope.

Mr. Hees: What is bothering the hon. member is that he and his colleagues were not representing Canada at that meeting, for the very good reason of what happened on June 10, 1957.

Mr. Chevrier: Old stuff.

Mr. Fleming (Eglinton): And because they are not representing Canada they are misrepresenting Canada.

Mr. Hees: By their attitude and their objection to the point of view that the Minister of Finance and I expressed at Accra so forcefully and sincerely on behalf of all Canadian producers, the opposition has made it very clear, in this exhibition of great world statesmanship or whatever it is that they have in their minds, that they are perfectly willing to see these important trading relations diminished even though it would make a great deal of difference to the production, livelihood, and standard of living of our producers in Canada. That is what they are saying. We put forward a sincere point of view on behalf of those producers. They object to our having done so. Therefore they are saying, "You should have sat back and kept quiet; you should have been good little boys and have done what we did when we were in office and attending meetings of this kind". All they did was to mouth platitudes which meant nothing, and let the other governments go ahead without knowing what Canada's views were.

Mr. Chevrier: Take a look at the standard of living over there.

Mr. Hees: We felt it was our responsibility to let the British government know exactly how Canada felt about this matter. The other commonwealth delegates at that meeting did exactly the same thing.

Mr. Pickersgill: If I were the Minister of Finance, I would say that was false.

Mr. Hees: Now, Mr. Chairman, this afternoon we heard nothing but protests, and we have heard nothing but protests ever since we were at Accra. It remained, however, for that other leader of the opposition, the hon. member for Essex East, to advance a positive suggestion on behalf of his party. This he did in Charlottetown, and it is reported in the Ottawa *Journal* of September 27 by the Canadian Press. I should like to read exactly what the Canadian Press, a reliable news agency—

Mr. Pickersgill: Except at Accra.

Mr. Benidickson: That was British United Press.

Mr. Hees: I have had no comment to make on what any particular newspaperman had to say.

Mr. Pickersgill: Your colleague had, the other twin.

Mr. Hees: We are talking about what I am saying. This is what the other leader of the

opposition had to say at Charlottetown, as reported by the Canadian Press. If anyone would like to have the article, here it is:

> The Canadian government's approach to Britain's participation in the European common market is mistaken and negative, Liberal Paul Martin told the Prince Edward Island Liberal leadership convention Monday.
>
> The former Liberal cabinet minister said the Diefenbaker government should try to unite Britain, the United States, and Canada with the European trade group in a North Atlantic community, rather than lecture the United Kingdom on its trade policy.

Mr. Benidickson: What is the matter with that?

Mr. Hees: I am very interested to note that all the members in the Liberal party present in the house applaud that statement. They are in favour of entering into a trade group comprised of Britain, the United States, Canada and Europe. Now, Mr. Chairman, this involves nothing less than free trade with those countries, including the United States.

Mr. Pickersgill: Ask the Minister of Finance what his interpretation was.

Mr. Hees: That is exactly what the hon. member for Essex East was putting forward on behalf of his party, and all the Liberal members present in the house applauded this suggestion.

This is an interesting suggestion, free trade, because it takes us back to the election of 1911, the reciprocity election. In making the suggestion, the hon. member for Essex East seems to forget that United States industrial plants, with a market ten times the size of the Canadian market, can usually produce on a much larger scale and at a lower cost than can corresponding Canadian plants. On a free trade basis with Canada, which is what the Liberal party is now advocating in this house, the United States plants would simply increase their production by 10 per cent, at very little extra cost, and pour their cheap goods into this country. The effect on our manufacturing industries would be very serious indeed.

It is very interesting to note, Mr. Chairman, where the hon. member for Essex East made his speech. It was down in Prince Edward Island, a province which is primarily interested in agricultural production, a province which could be counted upon to be interested in free trade ideas. I would suggest to the hon. member for Essex East that he make the identical speech, urging free trade with the United States, in his home city of Windsor. I ask him to go there and make his speech to the labour unions and workers of Windsor, and explain to them what he thinks would be the result in his own city if we had free trade with the United States.

Mr. Pickersgill: There is nothing about free trade with the United States in that at all.

Mr. Hees: That is exactly what a trading area, including the United States, would mean and the hon. member for Bonavista-Twillingate knows that quite well. If it does not mean that, what does a trading area mean?

Mr. Pickersgill: I will answer the hon. gentleman, since he has asked me a question.

Mr. Hees: I will answer the question.

Mr. Pickersgill: The hon. gentleman has asked me a question—

Mr. Hees: I have the floor.

Some hon. Members: Order, order.

Mr. Pickersgill: The hon. gentleman asked me a question and I propose to answer that question unless I am denied the opportunity.

The Deputy Chairman: Order.

Mr. Hees: I have the floor.

Mr. Pickersgill: Keep it; you don't want an answer.

Mr. Hees: I am saying, Mr. Chairman, that the European common market is a trading group which is moving towards free trade within that group, and the same kind of association, including Canada and the United States, which is being advocated in this house by the Liberal party, would include the United States and Canada in a free trade area. I should like them now to go out across the country and explain to all our manufacturers, all our industrial centres across Canada—

Mr. Pickersgill: Let me explain it now.

Mr. Hees: —what they feel would be the effect of free trade with the United States. As I say, United States plants have a far bigger market—

Mr. Pickersgill: Mr. Chairman, I am rising on a point of order—

Mr. Hees: There is no point of order. The United States plants have a market ten times the size of our market—

Mr. Pickersgill: On a point of order, Mr. Chairman.

Some hon. Members: Sit down.

The Deputy Chairman: Order; the hon. member for Bonavista-Twillingate rises on a point of order, and in that situation the minister should yield the floor.

Mr. Pickersgill: My point of order, sir, is a very simple one. We are debating the estimates of the Department of Finance. It was

understood in debating them that we would discuss the government's conduct at Accra. However, it was not considered that we would have an academic debate—

Mr. Hees: It is beginning to hurt a little now.

Some hon. Members: Oh, oh.

Mr. Pickersgill: —it was not considered that we would have an academic debate on the policy of the Liberal party which, unfortunately for this country, does not happen to be in office now. I suggest that if we are going to have that debate, and I would have no objection to it, a Liberal spokesman should be allowed to expose Liberal policy—

An hon. Member: It has been exposed now.

Mr. Pickersgill: —instead of the extraordinary farce to which we are listening now by the Minister of Trade and Commerce.

Mr. Hees: This is not a point of order, this is a speech.

Mr. Pickersgill: I entreat the chairman—

Mr. Hees: This is not a point of order, it is a speech.

Mr. Pickersgill: I am still on the point of order.

The Deputy Chairman: My earlier advice was that there was a consensus ad idem among all parties in the house that we might close the session this evening and, in that spirit, we might move along with the debate. Perhaps I was allowing a little more latitude than might otherwise have been the case on the understanding that there would be comment on the visit of the two ministers involved abroad. I would ask the indulgence of the committee, if I may, with the end in view that we might conclude the session this evening. Perhaps we could get on with the discussion of the first item of the Department of Finance.

Mr. Hees: I am, as always, only too glad to conform with your ruling, Mr. Chairman.

Mr. McIlraith: I want to discuss for a moment the administration of the government with particular reference to items coming under the jurisdiction of the Minister of Finance. At this stage in our proceedings, I should like to address myself to that part of his duties connected with responsibility for tarriffs and foreign trade negotiation. I think it is clear that is squarely within his responsibility and can be discussed at this time on item 1. I have particular reference, of course, to his attendance at the commonwealth conference at Accra and to the attitude taken by the Canadian government there. It is a matter of regret to me that a subject as important as this should have been treated in the way it was treated by the Minister of Trade and Commerce tonight. It seems to me that the matter is of major importance to all Canadians and I should have thought that the government would have wished to treat it responsibly and have their policy exposed and defended, or varied, as they see fit.

However, it seems that the exuberant feelings of the Minister of Trade and Commerce led him into every irrelevance that one usually associates with someone a great many years his junior—many decades, perhaps I should say. The Minister of Finance in his remarks this afternoon started out by applying very strong language to the newspaper reports of his speech. He said that the newspaper reports contained many gross inaccuracies and he expressed himself in language of that sort.

Mr. Fleming (Eglinton): I did not say reports; I said articles and editorials.

Mr. Pickersgill: Muttering again.

Mr. McIlraith: He generally questioned the treatment of his conduct at this conference as reported in the newspapers. He referred to the radio commentators' remarks on this subject as a blatant lie. Then he went on to say, when he was dealing with that part of the newspaper stories which indicated that the policy of the government had the effect of being anti-British and anti-commonwealth, as I have noted his remarks, "When any government takes an anti-British line, I will not be a minister". I copied the remarks down and I think that is a precise indication of his feelings, and I agree with them. I think that is an accurate expression of his feelings.

The point I wish to deal with tonight is the policy of the government, as best we can get it, in spite of the minister's attempt to quote verbatim from a speech he delivered in Accra and then not tabling the speech. His colleague the Minister of Trade and Commerce pulled another of his famous booboos and inadvertently distributed his speech to the press. We have only the text of the press report of the copy delivered to it, together with all these other comments in the newspapers which seem to concern the Minister of Finance so much.

The release I have is one by a press gallery correspondent of some three decades, Mr. Norman MacLeod. It is a U.P.I. press dispatch which is headed:

> Informatively, following runs to around 2,000 words. It includes most of the text of a major speech by trade minister George Hees on Britain's proposed entry into the European common market.

That is the only document made available for public circulation, and the newspapers. That document having been made available to the press, even although by mistake, clumsiness or what have you, by the Minister of Trade and Commerce, I asked that the actual text covering the parts of the speech that are dealt with in this press report be made available so there should be no confusion as to just what was said, because I think it is of the utmost concern to the country that there be great accuracy in this matter. The minister refused this request.

I have made reference to this matter in earlier debates. Indeed on April 24, the opposition moved an amendment to a supply motion in these words:

> This house regrets the protectionist and inconsistent trade policies of the government and its failure to develop a long term foreign economic policy to enable Canada to participate fully in the challenging new opportunities in the field of international trade by implementing a vigorous program to promote the expansion of our secondary manufacturing industries and by encouraging the development of an Atlantic economic community.

In that debate on April 24 and 25 reference was made to the European common market and a good deal of the debate turned on the positions of the parties concerning the European common market. I do not propose to repeat the arguments made at that time but I want to make passing reference to the fact that this subject matter was dealt with and I charged the two ministers concerned with threats of retaliation to the United Kingdom if she joined the common market, and that their negative and threatening attitude was only harmful to our interests.

The Minister of Finance is on record as denying the newspaper stories which I quoted on that occasion. I think he will recall that he denied them quite strenuously, using such terms as "nonsense" and terms of that sort.

Mr. Chevrier: His usual epithets.

Mr. McIlraith: I can give the minister the exact reference if he wishes. The point is that, having taken that position with regard to stories that were mild compared with the current stories of the positions of the two ministers, he now comes along and is again in the position where he takes the offensive in repudiating the newspaper comment and reports of the position taken by the ministers. But this time we have the actual text of the speech, or part of the speech delivered by the Minister of Trade and Commerce. I take it to be admitted that the part of the speech the U.P.I. put out is accurate. I refer to that part of the text which supports the stories, and the release seems to form the basis of most of the stories. It is with this matter that I wish to deal tonight.

[Mr. McIlraith.]

I think this whole subject matter has got out of context in the argument of the Minister of Finance this afternoon. The Prime Minister of the United Kingdom, in the United Kingdom House of Commons on July 31, had something to say on this subject. I think it should be quoted for the purpose of getting the atmosphere in which the conference was held.

The part I will quote can be found either in the United Kingdom records of the House of Commons, or it is reported in the European free trade association bulletin for August and September, 1961, page 7. The excerpt I wish to quote is this:

> I believe it is our duty and our interest to contribute towards that strength by securing the closest possible unity within Europe. At the same time, if a closer relationship between the United Kingdom and the countries of the European economic community were to disrupt the long-standing and historic ties between the United Kingdom and the other nations of the commonwealth, the loss would be greater than the gain.
>
> The commonwealth is a great source of stability and strength, both to western Europe and to the world as a whole, and I am sure that its value is fully appreciated by the member governments of the E.E.C. I do not think that Britain's contribution to the commonwealth will be reduced if Europe unites. On the contrary I think its value will be enhanced.

That was the attitude taken by the Prime Minister of the United Kingdom reporting to his parliament before the conference took place. I think there can be no issue that his view about the commonwealth and its being a great source of stability and strength, both to western Europe and to the world as a whole, is the correct view. I think all hon. members of this house would agree wholeheartedly with that proposition. But what has happened now is that the Minister of Finance and his colleague have by their conduct taken a position that is destructive of the commonwealth, and they have—

Mr. Fleming (Eglinton): Pardon?

Mr. McIlraith: I said, Mr. Chairman, that the ministers, by their position at the Accra conference, have done something that is destructive of the commonwealth.

Mr. Fleming (Eglinton): Ridiculous.

Mr. McIlraith: They may not have intended to do it, but that is the inevitable consequence of the line of argument they took.

Mr. Fleming (Eglinton): No.

Mr. McIlraith: Perhaps I might be allowed to develop my argument. I am not accusing hon. gentlemen opposite of wilfully doing it. I am accusing them of doing it—

Mr. Pickersgill: Through ignorance.

Mr. McIlraith: Well, I was about to use a somewhat milder term, and say that the damage done is a natural consequence of the position taken and of the method used to handle the situation and explain Canada's point of view. In this connection I invite the two ministers concerned to study the remarks made by Canada's Prime Minister when they were absent from this country and their comments first came before the House of Commons. They would notice a wide divergence in the points of view which have been expressed—a marked difference between what the Prime Minister said on that occasion in answer to questions, though, of course, the right hon. gentleman could only speak briefly on that occasion—as compared with what has been said by the two ministers today.

The bulletin of the European free trade association for August-September, 1961 contains a series of comments on Britain's decision to apply for membership of the European economic community. The opinions of a number of well known newspapers are printed and all of them express approval of the stand taken by the United Kingdom. For example, approval is expressed by such papers as the New York *Times*, the Paris newspaper *Les Echos*, the *Frankfurter Allgemine* and the *Journal de Geneve*. These comments all show a constructive approach to the problem. The Canadian approach is altogether different, and without repeating the arguments which have been put forward in relation to what should have been done I should like to explore this question a little further.

The Minister of Trade and Commerce used these words in his speech in Ghana:

> There is no substitute for the terms of access we are now afforded in the United Kingdom market.

Hon. members will note that this statement is absolute in its terms. I should have thought there might well be substitutes which would be more to the advantage of Canadian producers of farm products. In any case, it would be seen that the argument advanced by the Minister of Trade and Commerce on this important subject is a negative, restrictive and destructive one. What was required was a positive approach, recognizing that the great period of prosperity in this country under the former administration during the late forties and fifties took place under a government which was seeking to liberalize trade. The ministers representing this country at Accra should have been putting forward solutions seeking an expansion of trade rather than trying to preserve, in all the circumstances, the identical form of the trade pattern which exists at the present time.

The minister must recognize that the ECM group of countries has in the last two years been enjoying a period of prosperity which may well be without parallel in recent history. Incidentally, I was disappointed that, when the Minister of Finance used an argument this afternoon with reference to the size of the common market, he should have referred only to the number of persons living in that area and compared that number with the population of the commonwealth, making no reference whatever to the volume of trade, to purchasing power or to the other factors which ought properly to be considered in this context together with population. I thought that was not a worthy way of expressing the point of view which, apparently, the hon. gentleman wished to express at that time. A question of this sort must be dealt with on a much broader basis. It is not just the number of persons in a particular market which matters. There are a great many other factors which must be considered including, for example, the potential of that market and its purchasing power.

Then there was another phrase, used at Accra, by the Minister of Trade and Commerce. Speaking of the damage which would be done if commonwealth preference were to be changed or reduced, he said that in some cases irreparable damage would be done if our present trading arrangements with the United Kingdom were altered. Had the minister been thinking in a positive way he would have put forward constructive proposals calculated to minimize any damage. Such proposals would, possibly, have the effect of bringing about great gains for this country instead of damage. I suggest to the hon. gentleman that he should recognize some of the facts which apply to trade in the commonwealth, in Europe and in the world as these facts exist today, and that he try to act constructively and responsibly so that Canada may play a full part in working out means of enlarging our trade pattern rather than merely giving an obstructive lecture to the United Kingdom at a time when the country is faced with a very difficult decision to make. I may add that I am sure her government will have the capacity to make that decision. I am disappointed that our own government did not address itself to these problems and come forward with a more constructive solution.

I do not wish to develop an argument on the finance department's estimates which deals with all aspects of trade. I wish to confine my observations as far as possible to the part played by the two ministers at this conference. However, I would point out that in debates in this house, both on the

estimates of the Minister of Trade and Commerce and on a supply motion amendment on April 24 and 25, the nature of such a constructive approach was put forward from this side of the chamber. That is the kind of action which should have been taken. That is the kind of attitude which should have been adopted. Perhaps at this late hour I should not elaborate, other than to say that in my view the two ministers ought to be concerning themselves with getting rid of some of the burdens they are placing on the backs of production in this country. They should be seeking to put both our primary producers and our secondary industries into a competitive position instead of blindly piling burden after burden on their backs as they are now doing.

Somewhere in his remarks at Accra the Minister of Trade and Commerce said that the commonwealth was held together by tradition, trust and trade. Though he did not say it in so many words, the theme of his argument at that point was: "And the greatest of these is trade". The commonwealth I think, is held together by many ties other than trade. I am not one to minimize the importance of trade within the commonwealth. I have no desire to do that and indeed, I tend rather to maximize its importance. However as I say, the commonwealth, which has represented such a great force in the world over the years, is held together by other things besides trade. That hideous parody of a biblical quotation was rather ill advised. If the minister wishes I can elaborate.

Mr. Hees: I will take it as read.

Mr. McIlraith: The minister might well do so. If he wishes to develop it he will see that the British press characterized that part of his speech as the Canadian Tory imperialism.

In any event, in complaining about the comment made by the press in this country the Minister of Finance said—

Mr. Fleming (Eglinton): Not only the press in this country.

Mr. McIlraith: This and other countries. The minister was very sweeping in his denunciation of press comment. I do not like using his adjectives because it seems to me they are unnecessarily offensive. There is no doubt, however, what he meant. He denounced them in excessive and abusive terms.

The Minister of Trade and Commerce quoted one newspaper with some approval and I wish to quote from this source, too. The source is the Ottawa *Journal* and I refer to the September 26 issue carrying an article by Duart Farquharson of the *Journal*'s London bureau. The article reads in part as follows:

> The head-on clash between Britain and the overseas commonwealth countries at the Accra finance ministers' meeting was not exaggerated but underplayed by the British press, according to Canadian finance minister Fleming.
>
> To set the record straight, Mr. Fleming last week called in leading British correspondents covering the international monetary fund meeting in Vienna. With great emotion, he argued that commonwealth countries were unanimous in their condemnation of Britain's attempt to join the common market. They were not merely striking up bargaining postures, but sincerely believed that such a British move was bound to result in the disintegration of the commonwealth.

Mr. Fleming (Eglinton): He was not there and that is a very inaccurate statement.

Mr. McIlraith: It is interesting that the minister should say that the reports written by the press men at the press conference were wrong, that he should take the position that he was misunderstood. I think it unlikely that all the press men in the United Kingdom are wrong or are incapable of understanding the English language as spoken by the Minister of Finance. The minister takes the position that they are all out of step. Hon. members know the story about the infantry platoon sergeant.

Mr. Hees: Tell us.

Mr. McIlraith: It will be recalled that a fond mother came up to him and said that all the men in the platoon were out of step except her little Willie. I am wondering whether one should substitute the name Donald?

The comments on the situation as carried by the United Kingdom press are based on the minister's own statement to the press. This is a very competent press and the minister's violent denunciation today will not favourably impress anyone in this committee or in the country.

Mr. Fleming (Eglinton): Duart Farquharson was not there at all.

Mr. McIlraith: I would not think that the minister's statement will favourably impress any of the press men whom the Minister of Finance so wrongly condemned in his interjections a few moments ago while I was speaking.

Mr. Fleming (Eglinton): His statement does not resemble the facts.

Mr. Benidickson: The Ottawa *Journal* is wrong again.

Mr. McIlraith: The press comment was founded on the press interview given by the Minister of Finance and the Minister of Trade and Commerce.

Mr. Fleming (Eglinton): Which press interview?

Mr. McIlraith: The one described as a British press conference at which the minister sought to make clear his position. I think the minister will agree that he succeeded in making it clear on that occasion just as he made it clear tonight.

Mr. Fleming (Eglinton): There is no report of a press conference.

Mr. McIlraith: It is not at all surprising that the press in this country has adopted as the popular subject matter of cartoons the visit abroad of the two ministers in question. One such cartoon reveals the Minister of Finance in the garb of a hunter returning home to visit the Prime Minister and with him is his gun bearer, the Minister of Trade and Commerce. The Minister of Finance is depicted dragging a lion by the tail, the lion wearing a union jack and a crown. The caption reads: "Hi chief—see what we bagged in Africa!"

The point I wish to make is this. It is time—

Mr. Hees: Time.

Mr. McIlraith: —that this government adopted a policy on this most important subject and presented it carefully and responsibly in language that would not be misunderstood by all newspapers in this country, in other parts of the English speaking world and in Europe and I hope that in so doing the government will realize its responsibility for the development of the potential of this country and take such action as will develop that potential for the benefit of all Canadians so that this nation may once again go forward toward prosperity.

Mr. Benidickson: Mr. Chairman, I have not dealt with some of the more important principles relating to the minister's speech. The minister indicated that there was a great desire—an absorbing interest, I think was his phrase—to consider the European economic community. Other hon. members on this side have dealt with that most effectively. Perhaps before the minister concludes his contribution to the debate on his estimates he will recognize that there is also a keen domestic interest in such matters as the Bladen report. We have received one report from the Glassco commission, the equivalent of the former Hoover commission in the United States. It simply indicated that some thirty committees had been set into operation. I feel that the minister should perhaps establish target dates for reporting with respect to the commission as a whole and its subcommittees.

Much interest has been accorded the minister's attendance at the Accra conference. Almost simultaneously the minister attended the annual meeting of the international monetary fund at Vienna. Perhaps he would choose to give us more detail about this before we conclude the debate on his estimates.

The minister and I have sat in this chamber for a number of years and often enjoyed debating together prior to his taking office. He was one who in debate expressed strong objections to a floating fixed rate on our interest. He held out the suggestion to gold mining areas in Canada that he and those associated with him politically would, if elected, be very vigorous in pursuing a change in the price of gold fixed by the United States. This, of course, has relationship to the international monetary fund or the world bank.

Before the minister concludes the discussion of his estimates he should give us his views about the quite substantial increase in the money supply. Since he spoke to us with some preparation on February 20 and 21 of this year the money supply has gone up. I should like to hear from the Minister of Finance about that.

I expect we shall have a new proposal shortly with respect to our national Canada savings bonds promotion campaign. What is the policy with respect to those? What is the policy with respect to savings bond sales for 1961? The minister knows there has been a great turnover of these bonds. This is a bond that one can buy and sell at par. Consequently, if new enticements or advantages are offered, bonds that were purchased years ago are turned over by most of the public or changed for the new opportunities of this year. Can the minister tell us about that?

The minister also knows that as the physician economically for our country at the moment he suggested in December that he had great confidence that we would have an impetus to our economy because of such things as the Columbia power development in British Columbia, the upper Thames development in my province and the Manitoba flood control development in the province in which I was born, and so on. He said these things would be a shot in the arm with respect to the economy of the country. This was part of the baby budget of last December. Can he report on that?

As I recall it, the minister said that Canada was a member, and tried to be a good and law-abiding member, of a new world wide organization related to textiles. He indicated that while we had rather keen competition from Hong Kong, that colony appeared to be

a bit of a rebel in connection with its international relations. Can the minister tell us about that?

Perhaps not tonight but on another occasion the minister might tell us about the so-called Japanese voluntary indications of withdrawal in respect of certain trade competition and whether they are realistic.

I do not want the discussion of the minister's estimates to be concluded before we look at his statements which were clear and forthright when he made his budget speech on June 20 with respect to two points: first, interest rates generally across Canada; and second, the foreign exchange rate on the Canadian dollar.

Recently we had a debate on the Civil Service Act which is a responsibility of the minister. Since we might be back in two months time perhaps that will satisfy the committee for the moment. I know the minister is making notes, and I should like to ask him a question as to the exchange reserves, having in mind that he felt that he would take new leadership in this field. The exchange reserves of this country do not seem to be in line with the increase in the gross national product or with most of the other indices of our national growth. Having regard to that fund, does the minister think it should be as static as it has proved to be, or has he any policies with respect to it?

We have had a substantial debate on trade, either free trade or selective free trade. Since we are about at the end of the session I do not want to pursue the matter.

In his budget speech the minister introduced a special fund of $100 million to support long term and immediate term bonds. I say to the minister with very keen conviction that although he reported recently to the house on this, it is not an effective way of changing the cost of money to the municipalities and to the provinces. I say to him he also made another commitment to the provinces and to the municipalities that he hoped to stay out of the money market. We know that we have never had such a federal deficit as we had this year, namely a deficit of $650 million. Of course this has an adverse effect on municipalities and provinces, and equally important, it has an effect on industry which also must get capital requirements from the market. To quite an extent they are the people who pay the taxes to provide the minister with enough money to get along. We have had four years of deficits; we have had the biggest deficit ever in our history, a deficit of $650 million. The minister should tell us about this story, that he directed an investigation into the defence department.

He should tell us whether or not, as a result of that investigation, people employed and paid out of the vote before us, namely treasury board, came to the conclusion that there was waste and extravagance. I should like the minister to comment with respect to the numbers of defence personnel and the efficient use of the money expended under the grants that we have before us tonight.

Mr. McMillan: The estimates of the Department of Finance always seem to come up on the last day of the session when we are in a hurry to close. I want to deal very briefly with interest rates because I think they are fundamental to a good economy in Canada. I saw a dispatch from the Accra conference in which it was reported that the Minister of Finance had said that our economy was lagging behind that of the United States. I have always maintained that one of the reasons for our economy lagging behind that of the United States is higher interest rates. Our interest rates, particularly long-term bond interest rates, are higher by 1½ per cent. This differential has existed practically ever since the conversion loan and the high borrowing following that loan. The differential is now about three times the one half of 1 per cent that it was for a good many years prior to the conversion loan.

I think that this government sets long term interest rates by its policy, and if we look at what is going on now we can see that it sets short term interest rates as well. The government sets the mortgage interest rate on 25, 30 and 35 year mortgages at 6¾ per cent. I say this is too high a rate for any government security. I spoke on housing when we discussed it in the house, and the Minister of Public Works said at that time that he would like to see the interest rates on housing lowered. He said, however, that he did not know what they might do and that if interest rates were lowered, it would discourage the 48 per cent of money going into housing construction from the private sector.

I should like to ask this question. Where else can investment money secure a higher interest rate with government backing? Insurance companies and others with large funds to invest buy these mortgages and from what I have read it costs them about one half of 1 per cent to service them. The fact that mortgages are not as negotiable does not bother these big investment companies because their investment is a continuing and long term proposition. Again, mortgages have certain advantages because there is a gradual return of the principal. When there is inflation some of the principal continues to come back; but that is not true of a bond

because the principal only returns at the time of maturity of the bond.

There is a differential of 1½ per cent or more between the mortgage interest rate and the long term bond interest rate. Investment companies are not interested so much in long term bonds if the differential is any less. If the differential becomes less, bids on bonds become thin, and this helps to keep the long term bond market depressed. If the interest goes up on housing the yield goes up on government bonds and the prices of the bonds are depressed. The reverse is true if the interest on housing goes down.

I maintain that our bond market should be a free market, and in effect it is not. When the minister sets a high interest rate on mortgages he is in effect setting a high interest rate on our long term bonds. At the present time high cost mortgage money is depressing our long term bond market. When a man buys a house and pays 6¾ per cent interest, whether he knows it or not he is contributing toward higher priced money required to meet the needs of the federal government and the provinces. He is also contributing toward higher cost money to meet the needs of municipalities which issue debentures to build roads, schools and other improvements. In a sense, therefore, he helps to increase his own taxes.

Because the minister has been unable to sell his long term bonds in volume, he has had to go to the short end of the market. This has had the effect of making more and more of our debt short term. As long term debt becomes due it is refinanced in the form of short term debt, the very opposite of what the minister said was desired at the time of the conversion loan. In fact, he gave as one of the reasons for the conversion loan the desirability of converting some of the short term debt to debt of a longer term.

In addition, all borrowing to meet present requirements goes into short term debt. It costs a lot of money to keep going into and out of the market. Our debt is being turned all the time and we know it costs a lot of money to go into and out of the market, because when he did so at the time of the conversion loan it cost over $50 million. It is little wonder then that in four years time the minister has handed the people of Canada an extra interest and servicing bill with respect to our public debt amounting to $800 million. He is getting set to load us up with more interest at a faster pace in the immediate future.

All of this is not a very good performance and is certainly bringing about much extra taxation for the taxpayer. Big money continues to get a high interest rate on mortgages. I know a number of people who own long term bonds. These bonds are depressed on the market at the present time. These people are just waiting for the bonds to come near par so that they can sell them. However, I do not think they will be able to sell them near par in the very near future because under the fiscal policy of this government the minister is actually pegging these bonds at a depreciated value.

Today I received a memorandum from one of the bond houses concerning the conversion of Canada savings bonds that is going on at the present time. In calling attention to the new savings bonds the memorandum has this to say:

> With the exception of three of the prior years' series currently outstanding and in the hands of the public, this year's bonds carry a higher interest rate and corresponding yield if held to maturity than any of the other prior series.

The memorandum goes on to state that for current borrowing the government is putting out 10-year bonds that are cashable at the bank at any time.

In the first year they will bear interest at 4¼ per cent; in the next six years at 4½ per cent and in the final five years up to November 1, 1971, at 5 per cent. This is what the government is paying now for money in the short-term bond market. According to this memorandum this new 1960 series of Canadian savings bonds can be purchased for cash, on the instalment plan, or outstanding savings bonds can be traded bond for bond. This memorandum recommends that Canadians should do this in order to get a bigger income. It is recommended that Canadians should turn in series 6, 9, 10, 11 and 13. It is recommended also that series 12, 14 and 15 should not be turned in because they are more favourable to the holder.

With the single exception of a limit of $10,000 in bonds per person, all Canadian savings bonds outstanding, valued at close to $3.6 billion, can now be turned in on these new bonds and the holders obtain this interest. The other outstanding bonds, of course will get a little higher rate of interest. I say, therefore, that there is another conversion loan in operation. It has not been advertised and people do not generally know it, but this is a new conversion loan. It is in very large proportions.

Mr. McIlraith: And just as costly as the last ones.

Mr. McMillan: I say that this government is paying a high rate for short-term borrowing. It is a high rate when you consider that a small municipality near Boston, as I reported the other day from the New York *Times*, put out 25 year debentures for bids and the bids ranged to yield from 3.71 per cent to 3.73 per cent, and this was for a municipality. Our

government will be paying close to 5 per cent for short-term money, whereas this municipality was issuing 25 year debentures at 3.71 per cent.

Now unlike the long-term bonds, these short-term bonds have no callable features. The holders can cash these bonds at any time but the taxpayers must raise the money to pay the high interest rate on these bonds right down to the wire in 1971. Again I say in the short-term bonds, just as the minister did in the long-term bonds, he is tying the hands of future governments. If the callable feature were present, a future government could call in these bonds and re-issue them at a lower rate of interest during a period when it was more favourable to borrow. The government of the Right Hon. R. B. Bennett did this very thing. They called in bonds and saved the Canadian people millions of dollars.

The minister might argue that we cannot expect money to be obtained at the same low rate it was in the thirties. He might argue also that these bonds would not sell as well if they had this callable feature in them. This argument does not hold water because in the early fifties the former government refunded some of their bonds and those bonds had a callable feature. If the former government could do this with bonds at 2¾ per cent, why cannot this government do it with bonds yielding 5 per cent or more? This type of financing has resulted in making the short-term market a high interest rate market while the long-term bond holders, for the most part, have bonds bearing a lower rate of interest. The depressed market for these long-term securities is likely to continue because of the high mortgage rate and because of these new bonds that will soon be issued.

I grant that these new bonds are not negotiable in the sense that they can be sold on the market, but they do continue to depress the value of long-term bonds already held by the public. This new type of financing adds more and more progressively to higher annual interest payments. As I stated a few minutes ago, this interest rate goes up from 4¼ per cent to 4½ per cent to 5 per cent, and our annual interest payments will also go up. In order to give hon. members some idea of what our annual interest payments are, I note that on March 31, 1957 the interest on the matured debt stood at $437 million; on March 31, 1961, it was $628 million, up almost 50 per cent. According to the estimates for 1956-57, payments for other liabilities in connection with debt amounted to $80 million, and in the 1960-61 estimates this total stood at $145 million, up almost 50 per cent. I understand that this item is up somewhat more this year.

[Mr. McMillan.]

Then, if we go to the estimates of 1956-57 again, we find the annual amortization on bonds, discounts, premiums and commissions, amounted to $11.3 million, whereas in 1960-61 estimates it is shown as $33.3 million, up 300 per cent. Now, these are wonderful years for those drawing commissions, but they certainly are not for the taxpayers. The other night the hon. member for Leeds said that the Prime Minister and the Minister of Finance had been in his riding before the last election. They promised help to the provinces and to the municipalities. The hon. member then referred to the fact that the urban municipalities in his riding all had increased their tax rates since that time. I can say that all the municipalities in the Niagara district have had substantial increases in their tax rates since that time. One reason for these substantial increases in tax rates is that they have had to pay a higher rate of interest on their debentures. I know that some money has filtered down to the municipalities through the provinces. The municipalities have received some increased payments, but this has been more than eaten up by the extra interest they have had to pay as a result of the fiscal policies of this government.

Now, the Prime Minister made many promises and I think the ones he made in Welland were probably most interesting from a local point of view. I was told by some people who were there that he spoke very emotionally and said that he could not see why the former government had been so callous as to allow unemployment. He also spoke very feelingly to the farmers and condemned the former government because they had allowed the price of asparagus to fall, because of imports, from 22½ cents to 21½ cents a pound. What has happened since? Unemployment has never been so low as it was at that time. When he spoke feelingly to the farmers he may have meant it, but in their next crop year they did not get 22½ cents or more for their asparagus; they got 14 cents a pound plus a 3 cents deficiency payment from this government, which deficiency payment cost over $100,000 in total to these growers

I suggested previously that if the Prime Minister would come back to Welland he should let us know and we would get out a band and they could play, "O Promise Me".

An hon. Member: Very funny.

Mr. McMillan: Last year the Prime Minister said the underbrush was cleared away and he was almost ready for the tall timbers, or something to that effect. I think the Prime Minister may be in the woods at the present time, but the Minister of Finance is certainly still in the underbrush—

Mr. Pickersgill: He is certainly not out of the woods.

Mr. McMillan: —among the thorns and brambles of debt; there is no doubt about that. Only once or twice has he seen the tall timbers, in December, 1957 and again last year when he predicted surpluses; but these were hewn away. The government tried to rescue the minister and tried to entangle Mr. Coyne so that he could take the blame. The people of this country have not been fooled by this subterfuge of substitution. So the minister, I say, is still in the underbrush.

Mr. Chairman, I intended to deal with two or three other matters but I will not do so in view of the hour. I intended to raise the matter of the minister's responsibility for monetary policy. I know the minister announced outside the house that he would accept the principles laid down by the new governor, Mr. Rasminsky. I saw that in the press, but the minister has never announced it in the house. I think he should announce in the house his idea of his responsibility in connection with monetary policy.

Mr. Benidickson: That was another flip-flop.

Mr. McMillan: I will not deal with that matter further. The minister said recently that we should have lower interest rates. I maintain that he only pays lip service to this matter because when we consider his actions in connection with interest rates we find that the high interest rate of 6¾ per cent on mortgages was actually set by him. In connection with the conversion loan the minister devised a way to pay bonuses to those people who would take a 50 per cent increase on their interest.

Mr. McIlraith: He was ingenious in that one.

Mr. McMillan: On different occasions he also devised a way to sell short term bonds to large investment dealers at a low yield but with a high discount. This would help them and would be of great advantage to them tax-wise.

Mr. Benidickson: Capital gain.

Mr. McMillan: When the provinces started to use this device to get people to buy their bonds, the minister immediately brought in legislation to prevent their doing so. The minister has set these new rates on the present conversion loan on the Canadian savings bonds.

I also intended to deal with the exchange rate, but since the hour is progressing I will not do so. I just wish to say one word about what has taken place at the commonwealth conference in Accra. I think most people in Canada think the minister is at least consistent in his antagonism toward Great Britain, particularly when Great Britain is trying to do something to help her economy in giving consideration to entering the common market. I must say that I was shocked but not surprised when I read some of the articles on the commonwealth conference in Accra. I was not surprised because I remember that at the first commonwealth conference that took place after this government came into power—the conference was held at Mont Tremblant, near Montreal—Mr. Thornycroft, at that time led the delegation from the mother country. Some of the press said that our Minister of Finance used sledge-hammer tactics when softer words would have suited his purpose better.

Mr. Benidickson: A sledge-hammer to deal with a tack.

Mr. McMillan: With regard to the most recent conference, the press has accused the two ministers of ganging up against the mother country. We have heard the ministers' explanations. I saw a cartoon in the Victoria *Times*. It depicted two valiant hunters, the two ministers, going out and bagging the British lion and delivering it here to their chief. I think the British lion is just hurt. She has been very docile and has not said much in retaliation. This reminds me of a mother who is not willing to correct her defiant child in public. Already the press is reacting in a way best expressed in the words of the London *Spectator*:

> Having made such a mess of her own economics, it is not for the Canadian government to lecture us on ours.

The press in England and in other countries is now aware of the economic mess in which we find ourselves in Canada. Some portions of the United States press in particular were outspoken in this respect at the time of the Coyne affair and at the time the minister brought down his budget. There is nothing new in all this. We have been telling this to the people of Canada and to this government for a long time. We have continued to say that they are getting us further and further into an economic mess. I would say that today with a continuing and persistent deficit of $2 million a day we arrived there long ago.

I wish to refer to one other matter. This is a matter I raised the other day during the discussion on the estimates of the Department of National Revenue, and it is reported on page 8746 of *Hansard*. I will not go into the matter in detail at this time, but it is concerned with item 709a of the Customs Tariff Act. Under this item Canadian tires can be sent abroad and brought in duty free on United States-made automobiles and trucks.

It precludes however expensive Canadian equipment being sent abroad and then being admitted duty free. If one piece of equipment is so much as bolted on to a United States component the full duty is charged on the Canadian equipment when it is returned to Canada. I gave an example. I said that in Canada we are making front end loaders to be mounted on tractors. The tractors are admitted free to Canada but if the front end loader is sent to the United States for one-third of the business, the Canadian buyer has to pay $133 duty on each unit coming into Canada. There would be a duty on the Canadian made part of the unit but not on the United States made tractor.

The Deputy Chairman: I am sorry to interrupt the hon. member but his time has expired.

An hon. Member: Do go on.

The Deputy Chairman: Is it the wish of the committee that by unanimous consent the hon. member be allowed to continue?

Some hon. Members: Agreed.

Mr. McMillan: It occurred to me that if suitable arrangements could be made it would save Canadian buyers $133 per unit, it would help Canadian business in the United States to the extent of $1½ million a year, it would help secondary industry, particularly steel; and it would give employment to some 40 men. I would therefore appeal to the minister to keep this matter in mind if and when he prepares his next budget.

Mr. Chevrier: There is one matter which I can dispose of briefly if I could have the attention of the committee. It has to do with the statement made by the Prime Minister yesterday and it has to do, also, with a matter which falls under the jurisdiction of the Minister of Finance. Yesterday, prior to the announcement of business for the next day, the Prime Minister entered the house and in dealing with an item on the order paper, namely, an amendment to Bill No. C-72, an act to amend the Customs Tariff, he had this to say as reported at page 9022 of *Hansard*. Referring to the bill he said "they"—meaning the opposition and the Liberals in the Senate—

> —must accept the blame for the thousands of jobs which, because of the action they have taken, will remain uncreated.

I wish to say that this statement is not only ridiculous but it is inaccurate and it is untrue. I think it can easily be refuted. In the first place, it can be refuted by the fact that if the Prime Minister and those associated with him were so anxious to have this matter go through, and if it was as important as they indicated it was, the government would not have dawdled over this measure from the month of November until the month of April before getting the bill through the house. If the committee wants to have the chronology I can put it on the record, because I have it here and can substantiate what I am saying. There is no doubt that this measure was delayed for weeks and months—

An hon. Member: By the opposition.

Mr. Chevrier: —so it ill becomes anyone, particularly the Prime Minister, to make such a statement as he made yesterday.

If the government really believes that this measure would have provided so much employment, they should have agreed to the conference which was suggested by the Senate and which would have brought the bill into operation a long time ago. Moreover, if this bill means all the jobs which the Prime Minister has in mind, why did he not call the Senate and the house together? Why did he not do that before he made the announcement yesterday and ask them either to amend the measure or come to some understanding with reference to this so called important legislation which was to provide so much employment for the people of Canada? The right hon. gentleman did not do that because, I am convinced, the statement he made was inaccurate. This bill will not provide jobs on that scale, or any jobs for that matter. The real point is that the government realizes it has made an awful boob and is glad the Senate has taken them off the hook.

Mr. Benidickson: We are dealing still with the first item in the minister's estimates. I regret it, but I feel obliged to direct the attention of the committee to a question which was raised by one of our new members, the hon. member for Niagara Falls. The question is reported in *Hansard* on July 12, 1961. It is No. 452 and it relates to personal staff in ministers' offices.

In days gone by the Minister of Finance was a great one for talking about economy and saving the taxpayers' money. I am just an ordinary fellow here, though, of course, I was in the office of the minister of finance at one time. However, in order to get acquainted with our senior officials in the ministers' offices I still use what all of us use, namely, the telephone book. The last telephone book I know of put out in the time of the former administration is a red book dated April, 1957. I have the complete list. I see the Secretary of State for External Affairs here. Apparently he has been given a

very much enlarged job and therefore, according to the comparison of the telephone books, he has a much enlarged staff. I notice also that the Minister of National Health and Welfare has added considerably to his personal staff, and so has the Minister of Transport. I am using, as I say, this red book and comparing it with the latest book which we use when we want to contact the personal staff of a minister. I regret to bring up this subject but I cannot help recalling the present minister's predecessor, the Hon. Mr. Harris. I knew something of his self sacrifice with regard to these affairs. I knew he had the idea that he must set an example of economy when it came to the expenditure of public money. So I wonder now about this business of private secretaries, special assistants, executive assistants, assistant private secretaries, associate private secretaries and so on. When I compare this red book, showing the staff in those years, with the latest directory I wonder whether the Minister of Finance really is doing the tough job he says he is doing as chairman of treasury board. For example, here is the Department of Trade and Commerce and provision for assistant private secretaries in English and French, associate private secretaries and so on.

Mr. Harkness: Is this all from the telephone book?

Mr. Benidickson: Mostly from the telephone book but I am a simple man and I think this is something which would appeal to simple taxpayers across the country. Although I do not have them with me this evening, I have kept civil service circulars relating to the enlistment of editorial and information personnel in the various departments. Despite what the Minister of Finance might say in debate about economy I can understand why he would have no control over treasury board or his associates in the cabinet when his own personal staff has increased and when over the last four years the people in the information division of each department have almost quadrupled in numbers. Hon. members on the treasury benches might say that these people are employed to be of service to the department as a whole, but there is a possibility that their first duty is to the minister of the department and the minister's organization in his own office. I merely raise that question and refer to a biblical phrase the minister frequently used to use in the debate. I ask: what about that mote and what about that beam?

If one looks at the old red-covered telephone book and compares it with the present telephone directory he will find some surprising results without going through the formality of placing a question on the order paper. The public thought they were electing a government that aimed at economy. I would think that the leadership in economy would start at the ministerial level, but that is not the case in this instance. I think the minister should tell us something about that because he presides at treasury board and almost every year when presenting his budget he almost bursts his buttons in talking about the good management and economy that has come about under his guidance.

Some hon. Members: Hear, hear.

Mr. Benidickson: Some hon. members applaud. In a return to a question asked by the hon. member for Niagara Falls under date of July 12, 1961 it is indicated that the personal staff of the Minister of Finance numbered ten in the fiscal years 1956-57 and 1960-61. The expenditure in 1956-57 was $35,900 and again in 1960-61 it was about the same. Having served in that department I cannot reconcile the situation I have outlined with what is contained in the current telephone directory. I do not know how many stenographers are required but I shall deal with other employees. In April of 1957 at the time of the issuance of the directory I hold in my hand there was only a private secretary. The current directory issued in February, 1961 indicates that the minister has on his staff an executive assistant, Mr. William N. Allan, a private secretary, Miss A. Hanna, and a special assistant, Mr. G. Hamilton. All hon. members read about him some time ago. He was supposed to sort of "glamorize" the minister.

Mr. Pickersgill: He is overpaid.

Mr. Benidickson: Perhaps a better way of describing his function is to say that he was supposed to humanize the minister.

Mr. Pickersgill: In that case he certainly is overpaid.

Mr. Benidickson: The two other employees whose names appear in the directory for both years are the lady who takes care of phone calls to the department and the lady who takes care of the files of the department. It is difficult to understand why the expenditure would be the same in the two periods I mentioned, especially when one considers that the minister now has an executive assistant, a private secretary and a special assistant despite the fact that he strongly advocated economy prior to 1957. Perhaps the minister might explain this.

Mr. Fleming (Eglinton): Mr. Chairman, I hope I can be more brief in replying to these many matters than hon. members have been in raising them. I shall take the questions in order.

First, the report of the Bladen commission. This matter, of course, continues under study. In response to what was said in the budget speech various interested groups and organizations are now coming forward with their representations. I hope we may be able to receive the remaining ones reasonably soon.

Second, as the hon. member for Kenora-Rainy River said, I did attend the annual meeting of the governors of the international bank and international monetary fund at Vienna last week. It was a very good meeting and there were a number of very constructive discussions there.

Third, there is no indication of any change in the price of gold. I dealt with this subject in reply to questions asked by the hon. member for Kenora-Rainy River several weeks ago.

Fourth, in regard to money supply, there was an increase over the past year in the money supply, until about a month ago or slightly longer, with some modest decline in it since. At September 13, 1961, the money supply stood at $14,331 million which was an increase of $1,075 million over September 14, 1960 but a decrease of $88 million as compared with September 6, 1961.

Mr. Benidickson: The increase in the money supply for a date a little earlier than the minister mentioned, September 6, had been perhaps as high as $1,175 million beyond what it was the year before, is that correct?

Mr. Fleming (Eglinton): I indicated that there was a modest decline over the past five or six weeks approximately. The bulk of the increase was in chartered bank deposits.

Fifth, with regard to Canada Savings bonds, the campaign has been launched as hon. members are aware. We hope for a good response and widespread support for this important feature of Canada's financial undertakings. This year we are offering an interest rate of 4.6 per cent. It is slightly lower than last year, but the indications are that we will have a good response. I wish to emphasize the importance of that response in relation to our total financial planning.

Next was a question in regard to the attempt to bring about an agreement between the countries which are interested in textile exports and imports, particularly in view of the volume of low cost textile exports from some of the Asian countries. I may say that the agreement which was reached at Geneva in July created a framework in which bilateral arrangements could be agreed upon for orderly marketing. However, it is too early to say whether the principal countries concerned will accept the agreement. Thus far Canada and the United States have accepted it.

[Mr. Fleming (Eglinton).]

Next was a question in regard to the exchange reserves.

Mr. Benidickson: Are there countries other than Hong Kong about which there may be doubt respecting an agreement on this matter?

Mr. Fleming (Eglinton): No. We cannot say yet definitely what the outcome is going to be as regards other countries. Naturally the concern expressed by some of the western countries was related to the exports from Japan and Hong Kong.

The next question was in regard to exchange reserves. I answered a question on this subject several weeks ago. These are reported regularly. The August figure was $1,944.4 million as compared with a figure of $1,960.3 million for July and $1,985.2 million for June. The holdings of gold have tended to rise in this period; the holdings of United States dollars and obligations have declined somewhat.

The next question was in regard to the purchase of securities in the market with the assistance of the special fund that I announced in the budget. The figures of purchases have been announced for each month. Those for July were $11.8 million and those for August $28.1 million, a total to the end of August of $39.9 million. I made an announcement in relation to policy on this subject several weeks ago.

Next was a question in regard to interest rates raised by the hon. member for Welland. The budget indicated the view of the government that interest rates in the country are higher than desirable having regard to our balance of payments position. In the budget I indicated the kind of efforts that would be made to bring about a reduction in the interest rates. I am very glad to say that those efforts have resulted in a modest decline of the interest rates and, what is quite important, a decline in the differential as between interest rates prevailing in the United States and interest rates prevailing in Canada. This, of course, is of considerable importance having regard to our balance of payments.

The hon. member for Welland always argues as though the only time that a rise in interest rates has been known has been since the change of government in 1957. Well, he always overlooks the fact that there was a steady rise in interest rates for two years before the government came into office.

Mr. Pickersgill: You were going to change all that.

Mr. Fleming (Eglinton): Yes; interest rates did decline after we came into office.

Mr. Pickersgill: For a very brief spell.

Mr. Fleming (Eglinton): For a very satisfactory spell and with some very good results.

The hon. member talks about the decline in market values of the outstanding issues. He fails to say that for the two years before this government came into office there was a very substantial decline in the market values of outstanding issues, and the discounts at which good government bonds were selling at that time were quite substantial, running up to 15 per cent.

He has a great fondness for call features of bonds, and always when he speaks he raises the question why there are no call features, why we do not issue bonds that are callable. Well, for the very good reason that these callable features are not too popular, and if we are going to impose on bond purchasers the possibility of calling those bonds in when it happens to suit the interest of the treasury, well, then we are going to find it that much harder to sell them and we shall have to provide some other inducement; and this means higher interest rates, the very thing the hon. member has been talking against. He cannot have it both ways. He will either have to be content with the issuance of bonds without callable features or he will have to be prepared to advocate some other inducement to overcome the detrimental effect marketwise of adding callability.

The hon. member said "the minister has not been able to sell his bonds in the long end of the market." That is not true.

Mr. McMillan: I said "in volume".

Mr. Fleming (Eglinton): The fact is, Mr. Chairman, we have deliberately stayed out of the long end of the market for some time now for the purpose of assisting the provinces and municipalities with their borrowings. We have left that end of the market clear for them. We have gone into the short end of the market for that very reason.

The next question that was raised, Mr. Chairman, was in regard to the Customs Tariff amendment regarding the class or kind definition.

Mr. Pickersgill: I am raising a point of order at this time. Any debate on this subject would be of course clearly out of order because there is another item on the order paper dealing with it. It was mentioned by my friend from Laurier solely because the Prime Minister had gratuitously mentioned it yesterday. I am just pointing out to you, sir, before the minister proceeds, that if the minister wishes to have a debate on this subject I hope both sides of the house will be allowed to debate it.

Mr. Fleming (Eglinton): Mr. Chairman, this is a fine example of justice. Apparently the hon. member for Laurier is to be entitled to raise this point but nobody else is to be permitted to make any comment on his observations.

Mr. Pickersgill: The Prime Minister started it yesterday.

Mr. Fleming (Eglinton): Very well; he made the announcement which he had been asked to make earlier in regard to that question.

Mr. Chevrier: And quite irregularly.

Mr. Fleming (Eglinton): Not at all, he made it by consent of the house.

Mr. Chevrier: That may be true. I raise a point of order.

Mr. Fleming (Eglinton): Mr. Chairman, the hon. member for Laurier chose to make reference to this. I indicated that I am making a review of the points that have been raised and I have been doing it very briefly. I propose to make a brief comment on this if the hon. member for Bonavista-Twillingate pleases.

The hon. member for Laurier undertook to make reference to this subject and to comment on it when he tried to lay responsibility for delay at the door of the government. I say this was not the government's responsibility; this was brought up frequently in the house. If he will be fair he will remember that we did debate the measure on nine different days. It was not the government that held it up; it was the opposition that fought the measure. If they want to do that it is perfectly within their rights. They can resist it.

Mr. Chevrier: Why was it not brought down in the early part of the session?

Mr. Fleming (Eglinton): There was other business that had to be dealt with, and this measure was brought up on nine different days.

Mr. Chevrier: If it was to provide so many jobs why did the government not bring it forward earlier in the session?

Mr. Fleming (Eglinton): This was brought up not as the minister for Laurier said, in November; it arose out of the budget that was brought in on December 20, and this matter, along with the other job-making proposals in the budget, was brought forward when we reassembled after the Christmas recess, and with those other measures it was brought forward until it was passed. It was brought up on nine different days. That is the record. Therefore, what is the sense of saying that it was not pressed by the government?

Mr. Chevrier: It was not pressed and we will prove that in a moment.

Mr. Fleming (Eglinton): It was pressed by the government. If the hon. member chose to oppose it that was perfectly all right. That is his right as a member if he chooses to do so, but let him not say that the government did not press this measure. We did. We pressed it for nine different days until it was finally disposed of.

Next was the point raised by the hon. member for Kenora-Rainy River who had something to say about the staff in the office of the Minister of Finance. If he will look at the statement I made in reply to his question on July 12, page 7937 of *Hansard*—

Mr. Benidickson: It was not my question.

Mr. Fleming (Eglinton): —he will see that the personnel in the office of the Minister of Finance when the former government went out of office numbered ten and today the number is eight. I quite accept the point that the Minister of Finance in matters like this should try to set an example. I will do my poor best to try to set a good example.

I think these are my observations, Mr. Chairman, on the dozen or so points that have been raised in the discussion.

Mr. Pickersgill: Mr. Chairman, I assume I will now be allowed to deal with the matter with which the Minister of Finance has dealt. I have in my hand a chronology of this famous Bill No. C-72 which I thought it would be useful to bring here because I expected the customary misrepresentation of this matter by the Minister of Finance.

It happened that this measure was mentioned in the speech from the throne on November 17. It will also be within the memory of hon. members that the speech from the throne was disposed of in two days. If this was the most important job-producing measure that the government had—it was about June that the Minister of Trade and Commerce started saying it was, though they did not make any such claim for it in the early days when it was being debated—why did they not bring it in on the 19th or 20th or 21st of November and give it priority, as they did to one or two other measures, and get it through the house before Christmas?

The plain fact is that the government did not attach any special importance to it before Christmas at all. As we know, the Minister of Finance went on one of those junkets of his to Europe and delayed his baby budget until two days before the Christmas adjournment. That was not our fault. That was the fault of the management of the government. There was no reason why that baby budget should not have been brought down immediately after the speech from the throne was disposed of if the government had had its business ready and if it was so important. Therefore the delay from November 17 or say November 20 to December 20, one month, was entirely due to the government.

The resolution never came before the house until February 1. There was a big gap. Day after day we kept asking the government to bring it forward. The hon. member for Laurier and I said, "Please bring it on". We wanted to debate it but the government did not like the debate. They did not enjoy it. It took place from February 1 to February 3 and then for 12 days the government refused to bring the measure forward. After the 15th of February another 12 days went by before it appeared again. The government sets the business of the house, not the opposition. I think at that time the minister had gone on a junket to Vancouver. I think he went out to see Mr. Bennett but Mr. Bennett slipped through his fingers and he had to go off to Chicago or somewhere. On one of these occasions that is what happened.

Then the matter came up again relatively soon after that on March 2 and it was discussed on that day. On that same day the bill got first reading. That was March 2. The debate on second reading of the bill did not come up until April 17, over a month and a half after it was given first reading. That is not the fault of the opposition. The government would not even bring forward this great measure that was to produce all this employment for second reading for a month and a half after it got first reading.

As a matter of fact, it took only two days to get second reading and it was not brought up in the Senate right away. I do not blame the government for that, of course, because that was the time of the Easter recess. The bill we brought forward in the Senate in April, and on June 14 the Senate indicated its views with regard to it. The bill was not brought before the house again until July 6. Again that was no fault of the opposition. That was no fault of anyone on this side. It was simply mismanagement of the business of the house by the government.

In the face of that record I say that for the minister to get up and say that it was the opposition and then the Senate that delayed this thing is just a perversion of the facts. I suggest that it would have been much better if the minister had just left the statement of the hon. member for Laurier and had no more to say about it because, as the hon. member for Laurier has indicated, the government realized, in the light of the almost unanimous opinion across this country about the bill and its arbitrary features, that they had made a dreadful boob and that the bill when compared with the Prime Minister's

bill of rights was an outrage. They were so pleased to have an excuse given to them by the Senate not to proceed with the bill that that is the reason we have heard no more about it except in those speeches by the Minister of Trade and Commerce outside the house only in selected places in eastern Canada, and never in western Canada, about all the employment that the bill would provide.

If the government really believed that the bill would have provided employment, if the government had really been sincere and earnest about this thing, they would not have dawdled all session about it. They would have got it through well before Christmas in order to get the employment to show for it, so they could boast about it now instead of this record of mismanagement, delay, procrastination and that final feeble performance of the Prime Minister yesterday.

Mr. Fleming (Eglinton): Mr. Chairman, we have indeed heard a perversion of the facts by the hon. member for Bonavista-Twillingate. Why does he not come to the point and be frank and fair about this matter? He knows that he and one or two of his colleagues obstructed this bill all the way through. If he thinks that is justified, all right, but let him not then turn around and pretend that all other business of the house should have been set aside so that he and his colleagues could go on with that obstruction. We tried to bring the bill on. There was a great volume of legislation before the house at that time and the leader of the house was very good in giving time to that bill in the face of obstruction, when there was other legislation that had to be put through. There is the story.

If members opposite wish to argue and fight against the bill, that is their privilege; but let them not turn around then and pretend that the government did not wish to get the bill through. The government did want to get the bill through. I say to the member for Laurier that he was entirely mistaken when he said tonight that the government was glad to be taken off the hook by the Senate. We regret very much that the Senate did not see fit to pass that legislation and we could not possibly, as the Prime Minister pointed out yesterday, accept amendments to tax and money legislation introduced by the other house.

Mr. Chevrier: You dawdled with it for months.

Mr. Fleming (Eglinton): There has been no dawdling with this measure. The Senate amendment could not have been accepted at any time because there was an important constitutional principle at stake. We regret that the Senate did not see fit to pass that legislation. We think it would have been very beneficial to the country if it had done so and allowed the bill to become law.

Mr. Pickersgill: Mr. Chairman, I spoke from the record and the record speaks for itself.

Mr. Regier: What is the attitude of this government towards provincial governments issuing securities that are payable on demand? I have particular reference to a number of occurrences or a number of other payments on the part of provincial governments like British Columbia, in the light of the realization that we may have much larger financial investments that will have to be made and which I am afraid may be financed in a similar fashion. I am afraid other governments might imitate the example set by British Columbia.

Mr. Fleming (Eglinton): The governments of three provinces have issued bonds that are redeemable on demand, like the Canada savings bonds in that regard. It is a matter over which we, as a federal government, have no control. If a province chooses to issue securities that are redeemable on demand we have no right to interfere. I am afraid there is no constitutional right of action under which the federal government can interfere.

Mr. Regier: I wonder if I might ask the minister if the government has considered asking the Supreme Court of Canada for an opinion as to whether or not this is, in effect, the issuing of currency? Obviously, the issuing of currency is the prerogative of only one government.

Mr. Fleming (Eglinton): No, Mr. Chairman, we have not. If any citizen wishes to challenge the right of the province to do so he, of course, can go to the courts.

Item agreed to.

114. The Bank Act—salaries and expenses of the inspector general of banks' office, $34,330.

Mr. Benidickson: I have a brief request. The Minister of Finance, very prominently in his budget speech of June 20, indicated that we would have a royal commission to review all elements of banking and finance. Very little has been heard of it since. This, perhaps is the prerogative of the Prime Minister in some respects, but can the minister report upon it in view of the fact it was he who, on June 20, made the announcement?

Mr. Fleming (Eglinton): We hope to be able to announce the personnel of the commission and the terms of reference at a very early date.

Item agreed to.

Miscellaneous grants—

129. Canadian association of consumers, $10,000.

Mr. Regier: I notice that there are grants payable to the universities of Canada. All I want to say at this time is that I see no logical reason, if we were able some years ago to pay 50 cents per capita, then later raised that to $1 per capita and then $1.40 per capita, why we should not raise this grant to at least $3 or $4 per capita to make it a little easier for our young people to get the education they need.

Item agreed to.

The Deputy Chairman: This completes the estimates of the Department of Finance. We have now for consideration the estimates of the Department of Transport.

DEPARTMENT OF TRANSPORT

Air services—

Administration branch—

429. Air services administration, $1,852,117.

Hon. Leon Balcer (Minister of Transport): Before we proceed with these estimates, I should like to have the leave of the committee to make an announcement. In accordance with the intimation given by the Prime Minister, and with the permission of the committee, I should like to make a statement concerning the board of directors of the Canadian National Railways. The board will comprise the following: Mr. Donald Gordon; Mr. J. R. Griffith; Mr. W. Gerald Stewart, Moncton; Mr. Walter Colquhoun, Sydney; Mr. J. Louis Levesque, Montreal; Mr. Guy Charbonneau, Montreal; Mr. Gilbert Ernest Ayers, Lachute Mills; Mr. Alex McD. McBain, Toronto; Mr. Harry Isaac Price, Toronto; Mr. Jack Sangster, Regina; Mr. Robert Arthur Brown, Calgary; Mr. Walter C. Koerner, Vancouver. Mr. Gordon has also been reappointed as chairman of the board of directors.

In so far as the new directors are concerned, the effective date of appointment is October 1, 1961. The other appointments will be effective as of the date of expiry of the term for which they had previously been appointed. The term of Mr. J. R. Griffith, the labour representative on the board, does not expire until October 1, 1962. The term of office of the new appointments and reappointments is three years.

I might add that a proclamation will issue fixing October 1, 1961 as the day upon which an act to amend the Canadian National Railways Act, being chapter 28 of the statutes of Canada, 1960-61, shall come into force. Perhaps the committee would also permit me to announce the appointment of Mr. Campbell Haig, Q.C. of Winnipeg as a director of Trans-Canada Air Lines, effective October 1, 1961. Mr. Haig will fill the vacancy on the board which occurred on the expiration of the term of office of Mr. R. A. C. Henry on October 1, 1960.

While I am on my feet, Mr. Chairman, I should like to make another announcement which will be of immediate interest to the members of this house. Following correspondence with the two presidents of our two major railways, I have been advised that the two railways have agreed to extend indefinitely the passes for wives and dependents of members of the House of Commons and of the Senate.

Mr. Chevrier: It is perhaps unfortunate, Mr. Chairman, in one sense that these remaining important items of the Department of Transport should be brought down at this period of the session. However, I must say in fairness to the minister that he has already had four, if not five, days on them. If we have taken so much time, it is certainly because of the importance of some of the new items that have been introduced. The only comment I wish to make in connection with the first part of the announcement made by the minister having to do with the directors of Canadian National Railways is this: This announcement is made after a whole year of delay. Look at the calendar. If you go back one year you will find that the terms of office of most of the directors expired at that time. Why it was necessary for the government to wait 12 months before making this announcement, I do not know. All I can say is that the administration of the railway must of necessity have suffered because of that, as the administration of any other corporation would have suffered under the circumstances.

Mr. Chairman, I understand that the item now under discussion is No. 429, air services administration. Before I proceed with my remarks I wish to ask the minister this question. For what reason did he make an announcement having to do with new international air services of C.P.A., because I understand that he did make an announcement while the house was not in session. However, when the announcement was made no reason was given. Many editorials have appeared in the press across Canada complaining very bitterly about the fact that an announcement was made between our sittings this session and no reason was given by the Minister of

Transport for this decision. I ask the minister now if he is prepared to give the reason for this decision.

Mr. Balcer: Mr. Chairman, I welcome this opportunity to make a few comments on this decision of the government. There were numerous reasons for the decision of the government to designate Canadian Pacific Airlines as one of the carriers on the service between Canada and the United Kingdom. First of all I should remind the committee that the service in question is between western Canada to the United Kingdom across the northern part of our country.

The international air agreement between the United Kingdom and Canada makes provision for Canada to designate a carrier or more than one carrier for this service overseas between our country and the United Kingdom. One of the main reasons why Canadian Pacific Airlines has been designated is that at the present time from the western provinces, and especially from British Columbia and Alberta, a great many Canadians desiring to go overseas find it preferable, both financially and as far as the time element is concerned, to travel by United States air lines from Seattle. The reason is that the United States air lines give a direct service from Seattle to London. A great many Canadians have been travelling this way because there has been no direct service by a Canadian carrier from our two westernmost provinces to the United Kingdom. This new service means there will be an opportunity for Canadian carriers employing Canadians to offer our people a service that can compete with the United States air lines serving this traffic from Seattle and from the northwestern United States right to the United Kingdom.

There is another reason why the government has decided it is a good thing to give this opportunity to Canadian Pacific Airlines to serve the Canadian public on this route. This is the fact that Canadian Pacific Airlines has at the present time a service between Australia, New Zealand, the Fiji Islands, Hawaii and Canada and then overseas. Unfortunately, because Canadian Pacific Airlines could not serve the United Kingdom all the traffic from Australia, New Zealand and other islands of the Pacific was travelling exclusively on Qantas air lines. These people would cross the United States and travel directly to London. Canadian air lines were not serving this area of the commonwealth and could not provide a service that could compete with the service offered by Qantas at the time.

Canadian Pacific Airlines has pioneered this northern route; this is another reason for the decision of the government. They have established a market in the westernmost provinces of Canada, where they have their headquarters and employ almost 3,000 people. We sincerely believe that this will be an opportunity for Canadian carriers, not to compete so much with one another but to compete with other air lines of the world.

When we look at statistics and observe what happens in our international airports, every Canadian must realize that a tremendous number of our citizens are crossing the Atlantic every day on foreign carriers. I think this is a great opportunity for our own carriers to go after the Canadian market for the overseas route. I think the great majority of the passengers who will travel on this Canadian Pacific Airlines route are people who would not have travelled on our other Canadian carriers.

Mr. Chairman, I have given a few of the reasons for this decision. Of course, I know that Trans-Canada Air Lines are facing a deficit for this year, but I would say that practically every large air carrier in the world is at the present time going through a difficult period. The reason for this is not the decreasing traffic over the long routes, but that all the air lines had to switch from propeller aircraft to the big, new jets which are so expensive. We are right in the period of change-over. I am quite convinced that our two extremely efficient carriers will soon get over this change-over period and make up the deficit of the current year.

Trans-Canada Air Lines is providing extremely good service on all its routes and it can compete with every air line in the world. I must say that Canadian Pacific Airlines, which is a much smaller operation, also gives extremely good service. On both air lines we have the best crews in the world. They have very good equipment and both managements have the will to compete with all the other air lines in the world. Even if there is a great deal of traffic on the Atlantic route I believe that both air lines are well equipped and have the will and ability to compete. The decision of the government will in the long term prove a good one and I am convinced that it will not hurt Trans-Canada Air Lines, which is government-owned.

Mr. Chevrier: Mr. Chairman, I am not convinced by the answer the minister has given. I will tell the minister why I am not convinced with the reasons he has advanced. In the first place, I think that a decision of this importance should have been announced when the house was in session and not when the house had adjourned. There has been no opportunity to discuss this matter in the house save and except in the dying days of the session. Second, I am not at all convinced

by the argument made by the minister that western Canadians desire to go to London via C.P.A. I think that because of the decision the government has made, they will not follow that route. If and when they go, as it is now they must go via Gander. This is clearly set out in the reciprocal bilateral agreement. So the western Canadians are not going to be able to travel any faster via C.P.A. than they can now via T.C.A. So that argument falls to the ground.

Mr. Balcer: I wonder if the hon. gentleman would permit a question?

Mr. Chevrier: You can do your talking later—

Some hon. Members: Oh.

Mr. Balcer: The hon. member cannot convince me that the route is shorter via Winnipeg and Montreal than it is via Edmonton and Gander.

Mr. Chevrier: I do not imagine I can convince the minister of anything, because I am convinced in my own mind that the minister and this government are out to destroy T.C.A.

Mr. Fleming (Eglinton): A shocking untruth.

Mr. Chevrier: The Minister of Finance says "shocking untruth". That is all he has been able to say to everything which has come from this side. Everything, he says, is untrue or malicious.

At least the former minister of transport, though he talked about competition when he was on this side of the house, did not always put it into effect.

Furthermore what about the terms of the approval of this line. Has that approval come forward? The minister made an announcement without even consulting the United Kingdom, with the result that one government is now dealing with the other by means of aide-memoires. Is this the way in which to proceed on a matter of this consequence—to announce a decision without even obtaining the approval of the other party as should have been done under the terms of the bilateral agreement?

I am not the only one who feels this way about the situation. There have been many editorials across Canada in connection with this decision. I referred a moment ago to the Montreal *Star* of August 17. It went on to say that the minister had not even attempted to discuss the reasons behind this decision. Then, long after the decision had been made, he makes this announcement in the house. The *Financial Post* of September 23, 1961, in an editorial entitled "The Wonders of Competition" says that both government owned Trans-Canada Air Lines and privately owned Canadian Pacific Airlines have been sinking slowly but steadily in the red. C.P.A. lost $4.7 million last year, its fifth and biggest loss in five years while T.C.A. had a $2.6 million loss in 1960, its first in a decade. I wonder what the late Mr. Howe would have thought in the light of the establishment of this great government-owned air line, Trans-Canada Air Lines, owned by the taxpayers of this country. He brought Mr. Symington to direct its activities for many years, and Mr. Symington was succeeded by Mr. McGregor. I am just as positive as I am of the fact that I am here that there is no room for two trans-continental airlines in this country. The proof of that lies in the estimates which were presented to the committee on railways and shipping when for the first time, Trans-Canada Air Lines had a deficit of close to $200,000 last year and this year, as the *Financial Post* said, the T.C.A. deficit amounted to over $2 million. In the light of what is happening all over the world, how can you expect these lines to operate profitably if you are going to take traffic away from one and turn it over to another?

At least the government might have allowed the air transport board to deal with this situation, but it chose to deal with the matter itself and I do not know to what extent the situation was studied. In the United States, air lines are merging. But I do know that the government has been whittling away traffic from the T.C.A. year in and year out. They started in connection with some regional air lines. They have continued with a trans-continental reduction in T.C.A.'s line, and now they are taking additional traffic away from the crown-owned company—the taxpayers' company.

What will be the effect? There can be only one effect—that sooner or later the position will be so bad that it will not be possible for either one of them to carry on, and I hate to see the day when that will happen.

Mr. Balcer: Before we proceed to the next item I should like to re-establish the facts. The hon. member for Laurier made all kinds of statements but I should like to bring the whole thing back to reality. First of all, he says the route to the United Kingdom from western Canada through Edmonton and Gander is longer than by way of Winnipeg, Toronto and Montreal. I think the hon. member has only to look at a map to see how completely wrong he is with regard to this.

The hon. member also said we did not get approval in advance of our decision from the United Kingdom. Well, there is nothing in the air agreement which says we must get approval from the United Kingdom before

the government of Canada designates a carrier for the trade between the United Kingdom and Canada.

Mr. Chevrier: I asked you in the house and you said it was necessary.

Mr. Balcer: No, I did not say that.

Mr. Chevrier: Yes, you did.

Mr. Balcer: The hon. gentleman further stated that the United Kingdom were not notified before we made the announcement. In fact, we did notify the United Kingdom of our intention. We gave them proper notice of our plan. Then again, the hon. gentleman talked about reports presented to the committee which considered the affairs of the C.N.R. and of the government-owned air line. If he would turn to the conclusions reached by that committee he will see that the committee stated in its report that no testimony was submitted which proved that competition was responsible for the deficits sustained by T.C.A.

According to the hon. gentleman, this matter should have been considered by the air transport board. Well, there is nothing in the act or in the regulations which says that overseas routes should be discussed before the air transport board. I agree that when we offer a domestic permit for an air line to travel over any route the board has authority to decide which air line should get it, and so forth. As to the accusation that this government is trying to destroy Trans-Canada Air Lines, nothing could be further from the truth. The impact on T.C.A. of this allocation of the northern route from western Canada to the United Kingdom will be somewhere between 1 per cent and 3½ per cent of its gross revenue.

The annual rate of growth of T.C.A. has been at a percentage much higher than this, that is between 10 and 15 per cent or more. This indicates that the impact on T.C.A. will be negligible although of course there will be a certain impact.

What C.P.A. is going after and is going to get is traffic coming from the northwestern United States, traffic coming from the Spokane area into Calgary, traffic from Australia, New Zealand and other Pacific islands, and traffic from British Columbia and Alberta destined for Amsterdam.

The ridiculous point has been that Canadian aircraft flying from western Canada have had to fly through the smoke and fog of London to Amsterdam where the passengers were required to board a foreign carrier to be flown back to London. This absurd situation will be remedied in this fashion. I am sure that C.P.A. will not hurt T.C.A. and knowing the management, crew and personnel of T.C.A. I am confident they will continue to work hard joining with C.P.A. in competing with other world air lines, and that our two carriers will soon be out of their deficit situation which has been brought about mainly because of the change-over from conventional propeller aircraft to the new big jet liners.

Mr. Chevrier: I will not pursue the matter in detail. I have said what I wished to say and the minister has not convinced me to any degree by anything he has said. The minister knows that under the Aeronautics Act the responsibility of determining a matter of this kind rests with the cabinet but it is also the responsibility of the cabinet to obtain advice on matters of this nature. There is no better body from which to obtain such advice than the air transport board. That is why I suggested the minister should give some consideration to that.

The last time the estimates of the minister were before the house I dealt with another matter concerning which I wish to make a brief statement now. In the past I have taken considerable exception to the uncalled for and unexplained favouritism shown by the Minister of Mines and Technical Surveys, with the connivance of the Department of Transport, to Autair Helicopter Services Limited. This would be bad enough if Autair was a reputable concern but I have already said enough about the record of Autair including its accident record and insurance record to convince any reasonable person that this government should not have given a contract where the lives of public servants are in jeopardy. In doing so I stated incorrectly that the accidents took place on the polar continental shelf. I have since learned that the accidents took place in the northern part of Quebec. But surely it is the record of the accidents and not the particular place where the accidents occurred that is the relevant consideration. There is no doubt that the accidents did take place nor is there any doubt about the difficulties of this company with respect to its insurance.

Mr. Balcer: To set the matter straight let me say that the last time the estimates of my department were before the committee the hon. member for Laurier made a lengthy speech containing derogatory references to Autair and in which he blamed equally the Department of Transport and the Department of Mines and Technical Surveys. The questions the hon. member raised regarding Autair centred round a contract awarded to that company by another department of government and the safety record of the company. My own responsibility is limited to the regulations of the air transport board and the Department of Transport in

the administration of those regulations. I have checked with my officials and with respect to the contract about which my hon. friend complained the last time my estimates were before us I am advised that there is no evidence that Autair violated any of the regulations of the board or the department. The procedures followed in the matter of tariff filing, for instance, were legal. Under the board's regulations it is a fact that the procedure for late tariff filing, while legal, raises questions with regard to timing. This is not new to the board since these questions have come up on past occasions in relation to other carriers as well.

The department subsequently decided that as a result of several cases of late tariff filing just before a contract award it should issue a new ruling regarding tariff filing. It provided for longer term notice to avoid opportunities of unfair advantage. The fact remains, however, that the company did not in any way act illegally in this regard.

My hon. friend mentioned the matter of accidents. Following his previous speech the department inquired into the accidents mentioned by the hon. gentleman. We discovered that none of the aircraft of Autair sustained any damage in the accidents noted nor had any of their aircraft been involved in a single accident in 1961 at the time the letter was written which was on June 12.

Inquiries by our Montreal regional office were unable to establish any accident involving Autair Helicopter Services Limited in 1961. There was an aircraft involved in an accident following the date of the correspondence. The accident happened north of Forth Frances and involved a Bell helicopter. The aircraft suffered a loss of control and sank in six feet of water, but there were no injuries whatsoever.

Item agreed to.

Civil aviation branch—

434. Construction or acquisition of buildings, works, land and equipment with respect to national airports (as determined by the Minister of Transport) and related facilities: contributions towards construction done by local or private authorities with respect to such airports, amounts to be paid in settlement of claims for compensation by persons whose property is injuriously affected by the operation of a zoning regulation made under authority of paragraph (j) of subsection (1) of section 4 of the Aeronautics Act and authority, notwithstanding section 30 of the Financial Administration Act, to make commitments for the current year not to exceed a total amount of $69,893,200, $60,900,000.

Mr. Regier: Mr. Chairman, would the minister give us a brief report concerning what is being done toward developing an airport auxiliary to the Vancouver airport? I have particular reference to the proposed airport at Pitt Meadows. Is there any possibility this might be proceeded with in the ensuing year?

Mr. Balcer: The airport at Pitt Meadows has been approved by treasury board and funds will be requested in the estimates at the next session.

Item agreed to.

Air transport board—

446. Salaries and other expenses including the Canadian delegation to the international civil aviation organization, $550,469.

Mr. Chevrier: Mr. Chairman, will the minister tell the committee when the studies which are being or have been made by the air transport board are likely to be given to the house? I understand that one such study has already beeen made and the minister made an announcement concerning it. Again that announcement was made not while the house was sitting but during a recess. I wish to know when the next study will be completed and I urge the minister to make the announcement when the house is in session so we might have some opportunity to debate it.

Mr. Balcer: If the hon. member means the reports that I have in mind, they are confidential. These reports are made to me. If it is the decisions of the air transport board, following the region hearings, well, these decisions have been rendered as far as the eastern part of Canada is concerned as far west as Windsor. There will be hearings in Regina early in December for the western half of Canada.

Mr. Chevrier: How many such reports will be made by the air transport board at other regions in Canada? From what the minister says I understand that the air transport board reports to him and he makes the announcement, as he did for the eastern regions right up to Windsor. How many other reports will there be?

Mr. Balcer: There will be two more, the prairies and the far west.

Mr. Chevrier: Would the minister be good enough to make the announcement when the house is in session? Two announcements were made by the minister during the adjournment. It gives us little opportunity to discuss it when the house is in session.

Mr. Balcer: These reports are the decision of the air transport board. It has never been the practice to table those decisions or to announce them in the house.

Mr. Chevrier: I am not asking for that. The minister was talking to his officers and because of that I am sure he was not listening to what I was asking. When the confidential report of the air transport board is made to

the minister he makes an announcement. How many such regional reports are to be made to the minister? I understand there are two, one for western Canada and one for the Pacific coast. Will the minister give consideration to making those announcements when the house is in session?

Mr. Balcer: I think my hon. friend is under the wrong impression. As far as the eastern hearings are concerned, a report of the decision was made by the board and I made the announcement. I do not know what other report my hon. friend has in mind.

Item agreed to.

Board of Transport Commissioners for Canada—
447. Administration, operation and maintenance, $1,249,433.

Mr. Benidickson: We are dealing with the board of transport commissioners. I recollect that when the Bell Telephone Company asked for an increase in its rates at one time, this government with an election in the offing, decided to use its power to overrule the board. I think that for a matter of two or three months they did overrule the board. Recently another application from the Bell Telephone Company, which affects users of telephones in Canada, has been dealt with. The cabinet has a chance to overrule the decision. Is there anybody on the front bench who can tell us whether the cabinet proposes to overrule the decision of the board because I understand that one member of the board said that the suggestions in the majority opinion were unconscionable and that in connection with long distance tolls they would impose on the economy of the country something that would not be desirable. Is there anybody who can say whether the cabinet is prepared to do what it did some years ago, namely overrule the board of transport commissioners?

Mr. Balcer: Mr. Chairman, the cabinet will follow the legal requirements. At the present time no appeal has been filed against the decision of the board. Until such an appeal has been filed the government does not have to take any decision.

Mr. Benidickson: Would the appeal normally come from some municipality, or since this involves long distance rates, would it come from an individual? What are the possibilities in this regard?

Mr. Balcer: Any interested party can file an appeal.

Mr. Regier: I have a complaint to lodge in this regard and it is against the board of transport commissioners. They have jurisdiction over the rates charged by the B.C. Telephone Company. I contend this is completely out of line with common sense. The B.C. Telephone Company ought to have its rates determined by the British Columbia public utilities commission. By hook or by crook, over a long period of years, the B.C. Telephone Company has at long last finally escaped completely any provincial authority or any provincial jurisdiction. My experience has been that the board of transport commissioners in Ottawa accept holus-bolus any argument presented to them by the B.C. Telephone Company. No community or interest in British Columbia has ever had its arguments given any serious consideration by the board of transport commissioners in Ottawa. Immediately upon receipt of a complaint from British Columbia to the board of transport commissioners a letter is mailed out to the B.C. Telephone Company by the board in which it sets forth the complaint. Thereupon the B.C. Telephone Company mails its reply, and this reply has always been accepted in our history as gospel by the board of transport commissioners.

I do not want to be unfair to the board. They may well be able to supervise the operations of the Bell Telephone Company in Ontario. However, they are completely unequipped and unable to supervise the operations of our own B.C. Telephone Company. The sooner they get out of this particular field and hand over to our province the supervision of the operations of our own telephone system the better it will be, and the happier our people will be.

As I said before, I do not want to blame any one individual, but this company has always been treated as a bit of an orphan. I refer now to the assignment of exercising supervision over the B.C. Telephone Company. We pay in our province twice the telephone tolls that many of the citizens of other Canadian cities have to pay. There is now another proposal to increase rates even more. With respect to public utilities, one of the old lessons that was taught to me was that the more users you have the lower the cost per unit of operation, but this is not so with the B.C. Telephone Company. The more little exchanges they establish, and the more they split up existing exchanges the more the rates go up to the householders and to business.

In conclusion, I contend that not only business but every householder in British Columbia will thank this government if it will relieve itself of the responsibilities of supervising the B.C. Telephone Company and hand the whole of the affairs of that company back to the government of British Columbia where it rightfully belongs.

Mr. Benidickson: In practically no place in Canada have we government ownership of

telephones except perhaps in British Columbia. I think the Minister of Transport should take an interest in this matter because if you compare the rate from Winnipeg to Kansas City and from Vancouver to Halifax you will find that the Bell Telephone rates are higher than those that prevail to the south of us in the United States. I hope that the cabinet will consider this matter when there are appeals from the board of transport commissioners with respect to rates.

Item agreed to.

448. Amount to be credited to the railway grade crossing fund, in addition to the amount to be credited to the fund under the Railway Act in the current fiscal year, for the general purposes of the fund, and authority, notwithstanding section 30 of the Financial Administration Act, to make commitments pursuant to this item for the current and subsequent fiscal years not to exceed a total amount of $10 million, $5,000,000.

Mr. Regier: Would the minister explain why there is a reduction from $10 million to $5 million? All of us regret the number of accidents that are still occurring at our railroad crossings.

Mr. Balcer: There is adequate money in the fund at the present time. It was not foreseen that the whole fund would be used up during the year and if there is a need for more money it will be provided.

Item agreed to.

Board of transport commissioners—

590. Interim payments, related to recommendations of the royal commission on railway problems pending its complete report, to companies as defined in the Freight Rates Reduction Act of an aggregate amount in respect of the calendar year 1961 of $50,000,000, to be paid in instalments at such times and in accordance with such method of allocation as may be determined by the Board of Transport Commissioners for Canada, as compensation to such companies for the maintenance of their rates on freight traffic at reduced levels as provided for in the said act, $50,000,000.

Mr. Chevrier: Mr. Chairman, I would point out to hon. members that this is a rather important vote. It involves an expenditure of $50 million and I think that there should be some explanation forthcoming. I should like to read the vote and ask the minister if he can clear up the confusion which anyone reading the vote will certainly find. It reads:

Interim payments, related to recommendations of the royal commission on railway problems pending its complete report—

The royal commission on railway problems has recommended the payment of $100 million divided in four categories. I should like to know first of all how much of this amount will go toward payments as recommended by the royal commission? In its first report the royal commission, as found on page 60, recommended a subsidy for passenger trains in the amount of $62 million. With respect to losses on Crowsnest rates it recommended a subsidy of $22,300,000, as found on pages 65 and 66. Third, it recommended a subsidy of $13 million for the deficit on light density branch lines, as found on page 62 of its report. That makes a total of $97,300,000. I should like to know how much of the $50 million is related to these payments recommended by the royal commission.

Mr. Balcer: I remember explaining this at the time. The $50 million is related, of course, to the MacPherson commission but until the two other reports are tabled and are in the hands of the government the government has decided that all it can do in the circumstances is to consider the recommendation of the commissioners in their first report and the factors behind the three recommendations with respect to the various categories that have been mentioned by the hon. member. As an interim payment while we are waiting for the two other reports the government felt that $50 million would be a fair and appropriate figure in the circumstances, basing its decision on the findings and conclusions of the commissioners. We did not want to present an amount of money covering exactly all the recommendations of the commissioners until we have the other two reports.

Mr. Chevrier: How much of this $50 million is going for one or another of the three categories that I mentioned?

Mr. Balcer: I have not got those details with me at the present time. The amount of $50 million is to be allocated by the board of transport commissioners to both railways. The board bases its judgment on various factors and has in mind keeping rates at the present level.

Mr. Chevrier: If it is a matter of keeping rates at the present level, then it has nothing to do with the report of the royal commission on transportation. Is that not right?

Mr. Balcer: Indirectly it has.

Mr. Chevrier: There is another question I should like to put to the minister. Since the vote starts off by referring to interim payments related to recommendations of the royal commission on railway problems pending its complete report, it is quite clear that no portion of this amount is going for passenger train service, Crowsnest rates or for the deficit on light density lines.

The next point that arises is this. If the money is going to be paid to companies as defined in the Freight Rates Reduction Act in an aggregate amount in respect of the calendar year of 1961 of $50 million, to be

paid in instalments at such times and in accordance with such method of allocation as may be determined by the Board of Transport Commissioners for Canada, as compensation to such companies— this is the point— for the maintenance of their rates on freight traffic at reduced levels as provided for in the said act, is the answer to my question that the full $50 million goes, as determined by the board of transport commissioners, for the maintenance of the rates on freight traffic at reduced levels as provided for in the Freight Rates Reduction Act?

Mr. Balcer: As I said earlier, this is an interim payment. The members of the MacPherson commission have made a complete study of the whole railway situation in Canada. They were faced with the fact that the railways either had to increase their rates or maintain certain inequalities in the rate structure or abandon various services across Canada. In its report the MacPherson commission has set up a certain pattern by way of solution of the problems of the railways in Canada. As I have said earlier, it is only a first report. The second and third volumes are still to come, and so that the railways would not raise their rates all of a sudden and also to permit the railways to equalize the situation all across Canada the government has decided that it is fair to provide a subsidy of $50 million.

Mr. Chevrier: Then, what the minister is saying is that it is for the reduction of freight rates, am I correct?

Mr. Balcer: Yes.

Mr. Chevrier: On June 8, 1961, Bill C-93 was assented to and this was an amendment to the Freight Rates Reduction Act which provided the sum of $20 million. If I understand correctly, the government is going to give $50 million additional to the railways, as determined by the board of transport commissioners, over and above the $20 million that was provided by the Freight Rates Reduction Act. In other words, the $20 million was not enough. The $20 million reduced the rate from 17 per cent to 8 to 10 per cent and now this $50 million is going as compensation to the said railway companies for the maintenance of their rates as set out in the last part of the vote, which rates are at a reduced level as provided in the Freight Rates Reduction Act, is that right?

Mr. Balcer: That is right.

Mr. Chevrier: What provision is there for doing this when parliament passed a statute which says the railways shall get $20 million for the reduction of freight rates? Now, disregarding the statute, an item is put in the estimates to pay $50 million. Is it not a fact, Mr. Chairman, that that is not the purpose at all of the $50 million? I hope the minister will tell us frankly what the purpose is. The purpose is simply to carry out the recommendations of the Milvain report, and nothing more.

Mr. Balcer: No, Mr. Chairman. First of all, the $20 million in the Freight Rates Reduction Act was for the purposes set out in the act. The $50 million, as I said earlier, was based on the MacPherson report, and the only way we could implement that report was by means of an item in the estimates. The wording of the item gives a general description of the purpose and the reason the government is paying this $50 million to the railways.

The two railways faced great problems, and that was the reason the government instituted this royal commission. The commission was to investigate the problems of the railways in Canada and make a report. The commission has partly accomplished this purpose but so far only one part of the report is available. The report gives a good picture of the situation in which the railways find themselves and explains what should be done. Until the other two volumes of the report are available the government cannot make any final decisions, but decided the sum of $50 million would be a proper amount to help the railways carry on until the other two volumes of the report are available.

Mr. Chevrier: The royal commission on transportation made no recommendations having to do with freight rates?

Mr. Balcer: Yes.

Mr. Chevrier: No, they did not. I have just put on *Hansard* the four categories of recommendations which they made. None of them had to do with freight rates. All I am saying to the minister is that the only conclusion to which I can come with reference to this vote is that it is either to pay for the recommendations of the royal commission, and the minister said no to that, or it is to pay for a reduction in freight rates, to which the minister has said yes.

Mr. Balcer: I did not say no, I said the payment is based partly on the MacPherson commission recommendations that the railways should receive subsidies, that the railways should be allowed to abandon certain lines, and so on. There were all kinds of recommendations. The government could not implement these recommendations until the other part of the report is available. The

government, in fairness to the railways, decided to give this $50 million subsidy.

Mr. Chevrier: I am not going to pursue the matter indefinitely, but I am certainly not satisfied with the explanation which the minister has given because his comment is divided into two parts; one is related to the royal commission report, and there is no mention in the report of any amount to be paid in reduction of freight rates. We passed a statute under which we gave the railways $20 million. There can, therefore, be no other conclusion but that this item has been put in here in that confused form to implement the recommendation of the Milvain report.

Mr. Benidickson: What relationship would the minister say that this has, not only to the revenues of the railways but to the wages of the employees, pending some consideration of some of the items in the royal commission report?

Mr. Balcer: As I said earlier, it arises from the royal commission report. The railways were facing great needs and these needs have been met in part by this $50 million.

Mr. Benidickson: Is the minister suggesting that out of this $50 million a substantial portion of it goes to those who work on the railways?

Mr. Balcer: Well, it goes for all the expenses of the railways. Railway expenses have increased in a general way and the operating costs of the railways have gone up recently. This is what I meant by the general needs of the railways and it was in the face of those needs that the government decided to grant this amount.

Item agreed to.

Canadian maritime commission—

592. Capital subsidies for the construction of commercial and fishing vessels in accordance with regulations of the governor in council, $10,000,000.

Mr. Chevrier: As the committee knows, this item concerns the subsidy policy which the minister announced in the house, together with the regulations which were circulated. Since these regulations have been circulated, I should like to know how many shipowners, how many shipbuilders, have signed contracts on the basis of the regulations which were circulated by the minister and on the basis of the interim regulations announced by the minister on July 7?

Mr. Balcer: At the present time, Mr. Chairman, we have over one hundred applications and the Canadian maritime commission is processing them. At the moment five ships are being built under the new regulations. There has been a tremendous response from shipbuilders, shipowners and future shipowners, and I am quite confident the new regulations will result in a number of ships being built.

Mr. Chevrier: Out of the hundreds of applications that have been made, five contracts have been signed for the construction of ships, am I correct?

Mr. Balcer: Five starts under the regulations are going on at the present time.

Mr. Chevrier: That means that five ships are being built?

Mr. Balcer: Five ships under the regulations are being built at the present time. These contracts are being processed and we are quite confident about the matter. The program is going very well and according to expectations.

Mr. Chevrier: Mr. Chairman, in the statement which the minister made in the house and the discussion which followed there was some question of this policy benefiting not only Canadian shipbuilders—that is, Canadian yards—but also Canadian ship operators. The minister went on to say that this would eventually mean assistance to a Canadian merchant navy. The policy as announced by the minister—and I have the announcement in my hand—concerned not only assistance to shipbuilding, as I said, but assistance to a Canadian merchant navy.

Will the minister indicate where in these regulations or in this policy announced by him will be any benefit forthcoming to the operators of Canadian ships on the deep-sea. As I understand it, the measure is one that will give assistance to Canadian yards by a subsidy of 40 per cent, together with the additional 33⅓ per cent over a period of three years by way of depreciation. But how will this policy benefit the operators of deep-sea vessels?

Mr. Benidickson: Canadian operators particularly.

Mr. Balcer: First of all, Mr. Chairman, we are not at the present time paying any operating subsidies, but of course these new regulations will help shipowners, because when they want a ship built in Canada they will have the advantage of this 40 per cent subsidy. When a ship is built in Canada for a Canadian shipowner, this 40 per cent subsidy will give the shipowner the opportunity to compete with ships being built in shipyards in other countries.

Mr. Chevrier: Is that what the minister meant when he said these regulations and this policy would help the deep-sea operators,

because the subsidy is one which will assist in the building of ships, not in the operation of ships? I am sure the operators of deep-sea vessels are keenly interested in knowing whether they will benefit from the operation of this policy, as will builders of ships.

Mr. Balcer: Mr. Chairman, a very interesting development has taken place in the last few weeks. At the present time some Canadians have contacted the Canadian maritime commission—

Mr. Chevrier: I will have to get a loudspeaker in order to hear you.

Mr. Balcer: —in connection with building ships on the great lakes that will be able to serve on the great lakes and on the deep-sea. I think there will be a very interesting development in this way. The purpose of these regulations, of course, is not that of an operating subsidy but to help Canadian shipowners acquire ships from Canadian shipyards at a fair price and one that is competitive with other shipyards in the world.

Item agreed to.

The Deputy Chairman: That completes the estimates of the Department of Transport.

Resolutions adopted in committee of supply this day reported and concurred in.

WAYS AND MEANS

Hon. Donald M. Fleming (Minister of Finance) moved that the house go into committee of ways and means.

Motion agreed to and the house went into committee, Mr. Chown in the chair.

Mr. Fleming (Eglinton) moved:

That towards making good the supply granted to Her Majesty on account of certain expenses of the public service for the fiscal year ending March 31, 1962, the sum of $1,543,443,482.96 be granted out of the consolidated revenue fund.

Motion agreed to.

Resolution reported and concurred in.

Mr. Fleming (Eglinton) thereupon moved for leave to introduce Bill No. C-132, for granting to Her Majesty certain sums of money for the public service for the financial year ending March 31, 1962.

Motion agreed to, bill read the first and second times, considered in committee, read the third time and passed.

PRIVATE BILLS

MOTION RETURNING PAPERS TO SENATE

Mr. N. L. Spencer (Essex West): Mr. Speaker, may I have unanimous consent to revert to motions for the purpose of moving that a message be sent to the Senate to return to that house the evidence taken and the papers produced before the standing committee on divorce in respect of certain bills?

Mr. Speaker: Does the house give unanimous consent to reverting to motions for that purpose?

Some hon. Members: Agreed.

Mr. Spencer (for Mr. Mandziuk) moved:

That a message be sent to the Senate to return to that house the evidence taken and the papers produced before the Senate standing committee on divorce in respect of the following bills:

Bill SD-54, an act for the relief of Frank Grilli.

Bill SD-139, an act for the relief of Ignatz Radakovitz.

He said: By way of explanation I might state that the eighth and ninth reports of the standing committee on miscellaneous private bills presented on September 27 were adverse to the prayer of these two bills. This motion is necessary to return the Senate papers and to avoid a message from the Senate requesting them.

Motion agreed to.

HOUSE OF COMMONS

FELICITATIONS ON CLOSING OF SESSION

Hon. Lionel Chevrier (Laurier): Since this concludes the business of the house, I should like to pause for a moment and pay tribute to those with whom we have been associated during the course of this session.

I should like to thank the leader of the house for his co-operation always, but more particularly during the last three weeks. I do not say that in any facetious manner. I should like to make this simple statement with reference to the work of the house: if only we could proceed with the work in the same manner as we have done in the last three weeks our sessions would not last nearly as long. I hope it will be possible in the next session so to arrange the work that we shall not begin Saturday and morning sittings until way toward the end, perhaps the second or third week before the end, because I do not think the early sittings and Saturday sittings have been conducive to productive work.

Having said that, I feel I should express one always liked spirited debate in the House of the opposition, our thanks for your courtesy, your kindness, and for the manner in which you preside over the affairs of this chamber. I should like to say that we have for you great admiration. If we do find that sometimes you lean a little more on the right of your chair than you do on your left we shall never hold it against you because we know that when you do that we either

deserve it or, again, that you are exercising your discretion, as you, in the chair, have every right to do.

(Translation):

Mr. Chevrier: I should not want to forgo the custom of saying a few words about the deputy speaker and chairman of the committees of the house (Mr. Flynn). Unfortunately, he is not here at the moment since he is representing Canada on a mission abroad, according to what I have read in the newspapers.

I wish to thank him for the manner in which he has fulfilled his duties. I am sure he has done as well as he could.

(Text):

Now I should like to say a special word about the chairman of our committee of the whole house. He is not only a new chairman but also a new member. He has had to take over from his predecessor at short notice. In my opinion, a chairman of the committee must have three prerequisite qualities. The first is a knowledge of the rules, the next is good judgment, and the third is a lot of patience. The hon. member who presides now over the committee of the whole possesses those three qualifications. In my opinion he has put into effect not so much the letter of the rules as their spirit and that is, I think, what was intended by those who enacted the rules in the first place.

There are many others in the house to whom I should like to say a word of thanks—to the Clerk and those who sit round him at the table and who perform services for us all; to our *Hansard* reporters, both in English and in French, who are so accurate and painstaking and who spend a great length of time after the house adjourns preparing transcripts of our speeches. I should like to express our thanks to the translators. This is a new branch of our house. A translator must be extremely efficient. He must have a general knowledge of so many subjects, and more, particularly, of the subjects which are under discussion here. I want to thank them particularly. I wish also to express our thanks to the secretaries and the stenographers of the house, to the protective staff and to the clerks of the committees whom we always seem to omit, and to all others. They perform a commendable task. Committees sit so often now, and the clerks perform most valuable duties. I should like to thank them on behalf of the opposition. Last, but not least, I should like to express our thanks to those page boys who serve us with such devotion, who are so well groomed and well drilled, thanks to those associated with you, Mr. Speaker. We shall miss them in the days that lie ahead.

I think I should conclude by thanking all the members of the house for not having interrupted me and so many others here more often than they did and for their many contributions to the discussions which took place as well as to the general conduct and administration of the House of Commons. To all those hon. members who are here I say "thank you" and look forward to seeing you again in the not too distant future.

Mr. Erhart Regier (Burnaby-Coquitlam): On behalf of the members of this group I want to endorse all the sentiments which have been so ably expressed by the spokesman of the official opposition. I especially wish to reiterate the kind words he had to say about the leader of the house. We have at all times experienced his willingness to consult in a manner, I may say, we have not always experienced in the past.

To you, Mr. Speaker, we want to say that we have never noticed you leaning either to the left or to the right. You have always maintained an impartial position, often in difficult situations which we have imposed upon you.

I wish to pay the compliments of this group to the many employees of the house, not only to the clerks but even to our office assistants, stenographers, messengers, page boys and all the rest. I am sure all members of this house regret the necessity at this time of having to appoint a new chairman of the committee of the whole. I am sure that all of us wish the former chairman a speedy recovery and return to this house.

The members of our group hope that all hon. members, as they go home for a month or more of fence mending, will have a very interesting experience.

Hon. Gordon Churchill (Minister of Veterans Affairs): Mr. Speaker, may I thank hon. members of the opposition who have referred so kindly to me and, I am sure, to the great surprise of my colleagues on this side of the house. What the hon. member for Laurier said is very accurate and should be borne in mind. During the last three weeks the house has operated more efficiently than it did in earlier parts of the session. I am quite prepared to agree with him that the early imposition of lengthy hours and Saturday sittings is a mistake and perhaps another year we will not have to do that.

I am constantly surprised how well we do manage in this house year after year and I am impressed by the friendly spirit that prevails despite spirited debate which is of importance in a democratic parliament. I for one always liked spirited debate in the House

of Commons either as a participant, an observer or sometimes even as one who interrupts.

I wish to associate myself with the remarks that had been made concerning yourself, Mr. Speaker, concerning the Deputy Speaker, the Chairman, and all the officials of the house, the members of parliament and the members of the staff who look after the needs of the House of Commons. It is impossible to name them all without omitting some who should be named but I wish to include them all in our expression of thanks.

Parliament is a great institution. Although we sometimes appear to falter, nevertheless every hon. member is interested in maintaining the magnificent traditions of this institution and under your leadership, sir, I believe that has been done very ably during this session.

Mr. Speaker: May I be permitted to acknowledge on behalf of those who have been so deservedly complimented the happy and well justified expressions of appreciation which have come from all sides of the house. The officers, the staff of the House of Commons and the staff of the Department of the Secretary of State have been properly noticed for the service they have given. On behalf of those who are unable to speak for themselves I acknowledge these compliments which I am sure will be gratefully received.

For myself, I am really very pleased at what has been said. It is not possible to walk a tightrope without swinging even involuntarily. I am sure that at times some hon. members have thought I have swung one way when to others it may have seemed that I was swinging in the opposite direction; but it is all the more appreciated that hon. members have expressed themselves as they have and have co-operated so fully in circumstances in which it is not always possible to be right.

I am particularly pleased with the compliments that have been paid to the deputy-chairman of the committee of the whole house. I have not had the same opportunities as others to observe him in action but I am sure that what has been said is well deserved and I know that hon. members will wish him to have an opportunity to speak for himself.

Mr. Gordon Chown (Winnipeg South): As the house would have expected, sir, you have done very adequately what I had hoped to do, however inadequately, and however briefly. I have found my service in the house a very inspiring experience indeed. Such an experience can be inspiring only if one has the gracious co-operation of all hon. members and particularly the co-operation and assistance of those to whom we look to nurse us through all the difficult pasages that face us as we proceed with the business of the committee.

I must say I was deeply moved by the probably over generous comments made by the hon. member for Laurier (Mr. Chevrier), the acting leader of Her Majesty's loyal opposition, and I wish the hon. gentleman to know that I shall be everlastingly grateful.

Mr. Speaker: There is one other item of business not on the order paper. I expect now it is tomorrow's business. When we go to the other place I think it is a reasonable expectation that our duties will not bring us back to this chamber but there are other occupations which I think are appropriate for the termination of the session and I am sure that nourishment will be needed after we have been to the other place.

When we return from the other place I hope that hon. members will come back to the room across the hall and bring their wives or husbands, if they are here. I should also like to include in this invitation the members of the press gallery and their wives.

And the sitting having continued until after midnight.

Friday, September 29, 1961

THE ROYAL ASSENT

Mr. Speaker: I have the honour to inform the house that I have received the following communication:

Government House,
Ottawa, September 28, 1961

Sir:

I have the honour to inform you that the Honourable Mr. Justice Patrick Kerwin, Chief Justice of Canada, in his capacity as deputy of the Governor General, will proceed to the Senate chamber at 11:50 p.m. today, September 28, 1961, for the purpose of proroguing the fourth session of the twenty fourth parliament of Canada.

I have the honour to be,
sir,
Your obedient servant,
Col. A. G. Cherrier,
Assistant Secretary
to the Governor General.

A message was delivered by Major C. R. Lamoureux, Gentleman Usher of the Black Rod, as follows:

Mr. Speaker, the Honourable the Deputy of the 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.

In the Senate chamber the Honourable the Deputy of the Governor General was pleased to give, in Her Majesty's name, the royal assent to the following bills:

An act for the relief of Jean George Lipsman.

An act for the relief of Margaret Terese MacDonald Tombs.

An act for the relief of Esther Miller Finkelstein.

Royal Assent

An act for the relief of Matilda Aboud Henrig, otherwise known as Matilda Aboud Levac.

An act for the relief of Charles Malcolm Macdonald.

An act for the relief of Georgette Ginette Richardot Marica.

An act for the relief of Roland Labelle.

An act for the relief of Robert Clair Alger.

An act for the relief of Susanne Louise Eismann Weinfield.

An act for the relief of Florida McIntyre Marcil.

An act for the relief of Muriel Frances Marion Simpson Anfossi.

An act for the relief of Norma Catherine Shearly McMullan.

An act for the relief of Violanda Fuoco Delage.

An act for the relief of Leonda Suzanne Winston Gold.

An act for the relief of Georgette Claudy Bercier Brabant.

An act for the relief of Anneliese Bauer Kreuzer.

An act for the relief of Beulah Maybelle Purcell Stewart.

An act for the relief of Diana Fraid Gross.

An act for the relief of Nancy Anne Gray Levesque.

An act for the relief of Agnes Larkin McBride.

An act for the relief of Sheila Rose Hutchison Dendy.

An act for the relief of Clara Melamed Schultz.

An act for the relief of Josephine Badaha Amyoony Marchadier.

An act for the relief of Bella Grafstein Weintraub.

An act for the relief of William John Eamer, junior.

An act for the relief of Doreen Mary Swain Mather.

An act for the relief of Dorothy Grace Brown Vallieres.

An act for the relief of Nellie Frances Drake.

An act for the relief of Louis Fruttero.

An act for the relief of Fritz Flunkert.

An act for the relief of Claude Thibault.

An act for the relief of Remmechiena Elsiena Jonker.

An act for the relief of Mary Billias.

An act for the relief of Helene Lempp.

An act for the relief of Jean Elizabeth Geraldine Vimbor.

An act for the relief of Hela Hinda Fachler.

An act for the relief of Norma Skolar.

An act for the relief of Jack Warran Jones.

An act for the relief of Phyllis Marjorie Bradley.

An act for the relief of Barbara Phyllis Barnes.

An act for the relief of Clifford Harvey Stevens.

An act for the relief of Nicolas Denis Lazanis.

An act for the relief of Hedwig Anna Kiss.

An act for the relief of Mildred Linda Sexton.

An act for the relief of Hugh Donald McKean.

An act for the relief of Catherine Louise Puddicombe.

An act for the relief of Eunice Beverley Donaldson.

An act for the relief of Florrie Naomi Wise.

An act for the relief of Leslie Alfred Wheable.

An act for the relief of Roslyn Reisler.

An act for the relief of Viola Saykaly.

An act for the relief of Barbara Rose Isenberg.

An act for the relief of Thelma Rosemary Picher.

An act for the relief of Rita Joubert.

An act for the relief of Evelyn Ann Joy.

An act for the relief of Wendy Grace McCullough.

An act for the relief of John Dyall.

An act for the relief of Anna Marie Cholette.

An act for the relief of Richard Lorne Moat.

An act for the relief of Juliana Green.

An act for the relief of Marie Veronique Elmire Bugeaud.

[Mr. Speaker.]

An act for the relief of Victor Robert Selvin Rafuse.

An act for the relief of Francis John Turner.

An act for the relief of Mary Berler.

An act for the relief of Ruth Anna Becker.

An act for the relief of Annunziata Collin.

An act for the relief of Sophie Greuzinger Abelius.

An act for the relief of Joan Miller.

An act for the relief of Marie Anne Sigouin.

An act for the relief of Jean Paul Dussault.

An act for the relief of Aleksander (Olexa or Oleksa) Chomenko.

An act for the relief of Robert Whitla Ross.

An act for the relief of Margherita Di Paolo.

An act for the relief of Pauline Lewkowict.

An act for the relief of Marie Louise Aline Ross.

An act for the relief of Gisela Lydia Elisabeth Hunnius.

An act for the relief of Dorothy Gertrude Payment.

An act for the relief of Pierrette De Vynck.

An act for the relief of Dorothy Joan Kovacs.

An act for the relief of John Vereshack.

An act for the relief of Eloi Vincent.

An act for the relief of Frederick William Steppings.

An act for the relief of Dawn Carolyn Kronen.

An act for the relief of Mario Ildiko Leitner.

An act for the relief of Nora Vida Dobie.

An act for the relief of Janina Keller.

An act for the relief of Gordon Angus Moore.

An act for the relief of Maurice Robert.

An act for the relief of Johann Kinzl.

An act for the relief of Elizabeth Robb Lilley.

An act for the relief of Marguerite Archambault.

An act for the relief of Nancy Viola Doolittle.

An act for the relief of Elsie Margaret Turnau.

An act for the relief of Ruth Manhaim.

An act for the relief of Micheline Maud Huguette Deutschenschmied.

An act for the relief of Edith Martha Ami.

An act for the relief of Christa Krusemer.

An act for the relief of John Dennis Grubb.

An act for the relief of Frank (Franz) Zeigler.

An act for the relief of Amblena Eva Margaret Mary Brouse.

An act for the relief of Marion Pelletier.

An act for the relief of Catherine Lorraine Berthe Unity Miller.

An act for the relief of Pierre Blagdon.

An act for the relief of Helen Rita Freestone.

An act for the relief of Mary Ann Elizabeth Datko.

An act for the relief of Frances Jane Ball.

An act for the relief of Annie Beatrice Fordham.

An act for the relief of June Catherine Volkart.

An act for the relief of Edith Ruth Gurd.

An act for the relief of Marie Lea Gertrude Constantinides.

An act for the relief of Vera May Kirkpatrick.

An act for the relief of Kathleen Isabel Argue.

An act for the relief of Florence Parks.

An act for the relief of Elaine Linda Goldberg.

An act for the relief of Mary Helen Cormier.

An act for the relief of Margaret Evelyn Grierson.

An act for the relief of Madeleine St. Arnaud.

An act for the relief of Ronald Clarence Breen.

An act for the relief of Sally Falovitch.

An act for the relief of Frederick John Downey.

An act for the relief of Shirley Mae Clarke.

An act for the relief of Jadwiga Nowak.

An act for the relief of Robert Fender.

An act for the relief of Joseph George Marcel Raymond Mady.

An act for the relief of Reuben Gerald Sheaves.

An act for the relief of Jean Paul Bourque.

An act for the relief of Theresa Catalfamo.

An act for the relief of Charles Woods.

An act for the relief of Joan Winnifred Chrystal.

Royal Assent

An act for the relief of Dorothy Darling.
An act for the relief of Lila Margit Irene Fekete.
An act for the relief of Elisabeth Franziska Chamulka.
An act for the relief of Evelyn Patricia Hunter.
An act for the relief of Walter Mason.
An act for the relief of Anthony John Tunstall.
An act for the relief of Howard Ferncon Olsen.
An act for the relief of Theresa Irene Godfrey.
An act for the relief of Geraldine Bousquet.
An act for the relief of Bernice Clara Judd.
An act for the relief of Geraldine Koch.
An act for the relief of Joyce Mary Walker.
An act for the relief of Jeanne Ouellette.
An act for the relief of Patricia Helen Gagnon.
An act for the relief of Thelma Beatrice Davis.
An act for the relief of Lydia Ingeborg Pachurka.
An act for the relief of Ourania Timotheatos, otherwise known as Orania Timotheatos.
An act for the relief of James Christopher Younger Elliott.
An act for the relief of Bernice Catherine Bealy.
An act for the relief of Helene Martineau.
An act for the relief of Yvette Cecile Millar.
An act for the relief of Mary Evangeline Jackson.
An act for the relief of Andrew Drummond Page.
An act for the relief of Katie Pollack.
An act for the relief of Shelagh (Sheila) Harriet Jacqueline Smith.
An act for the relief of Roy Charles Melvin.
An act for the relief of Shirley Margaret Ball.
An act for the relief of Irene Ruth Farber.
An act for the relief of Margaret Edith Myrtle Latour.
An act for the relief of Charles Georges Andre Perrin.
An act for the relief of Norma Helen Hall.
An act for the relief of Evelyn Byrd Taylor.
An act for the relief of Eileen Mary Grant.
An act for the relief of Shirley Levitt.
An act for the relief of Judith Patricia Hogwood.
An act for the relief of Rose Linden.
An act for the relief of William Gibb Barnard.
An act for the relief of Joseph Armand De Bellefeuille.
An act for the relief of Bernard Campeau.
An act for the relief of Derrick Walsh.
An act for the relief of Genevieve Bollen.
An act for the relief of Joseph Palma Lucien Boucher.
An act for the relief of Joseph Arthur Roger Courtois.
An act for the relief of Catherine Dale Porter.
An act for the relief of Betty Jean Maurice-Jones.
An act for the relief of Margaret Nancy Bishop.
An act for the relief of Thelma Annie McKenna.
An act for the relief of Florence Mary Gibson.
An act for the relief of James Valiant Hatch.
An act for the relief of Sofia Kleiza.
An act for the relief of Elizabeth Ziehm.
An act for the relief of Mary Winnifred Paiement.
An act for the relief of Dorothy Irene Payette.
An act for the relief of Nancy Carol Stead.
An act for the relief of Leo Thivierge.
An act for the relief of Lola Polka.
An act for the relief of Stella Liberman, otherwise known as Stella Silverman.
An act for the relief of Patricia Cotton.
An act for the relief of Verna Wilson Ellis.
An act for the relief of Mary Freda Doutre.
An act for the relief of Wilhelm Antoni.
An act for the relief of Lilian Eleanor Hartglas.
An act for the relief of Kathleen Gordon.
An act for the relief of Roslyn Isaacs.
An act for the relief of Claire Gray.
An act for the relief of Olga Megas.
An act for the relief of Frances Bourassa.
An act for the relief of Janet Ellen Nelley.
An act for the relief of Helen Mary Mailath.
An act for the relief of Helen Mary Vol.
An act for the relief of Douglas Yetman.
An act for the relief of Martha Klein.
An act for the relief of Thelma Joy Tapp.
An act for the relief of Marie Therese Beaudry.
An act for the relief of Leon Schwertfinger.
An act for the relief of Dorothy Golden.
An act for the relief of Brenda Ruth Black.
An act for the relief of Agnes May Hurst.
An act for the relief of Stanley Sager.
An act for the relief of Rae Price.
An act for the relief of Margaret Bloom.
An act for the relief of Beena Barbara Koch.
An act for the relief of Pacifique Raymond Jean Ghislain Van Gulick.
An act for the relief of Theresa Bernadette Rose.
An act for the relief of Ila Rothman.
An act for the relief of Marcel Paquet.
An act for the relief of Ada Florence Roberts.
An act for the relief of Hannah Dorothy Erlich.
An act for the relief of Teresa Mary Seguin.
An act for the relief of Mary Stella Williams.
An act for the relief of Kathleen Louisa Harrison.
An act for the relief of Ilona Helen Adler.
An act for the relief of Lillian Chalfen.
An act for the relief of Dolores Norma Auclair.
An act for the relief of Patricia Lillian Mary Walker.
An act for the relief of Milan Yankovic.
An act for the relief of Norma Eileen Hicks.
An act for the relief of Edith Erlick.
An act for the relief of Sidney Russell Drake.
An act for the relief of Grace Evelyn Lewis.
An act for the relief of Ursula Edith Elise Morgan.
An act for the relief of Marie Marguerite Jeannette Enlow.
An act for the relief of Barbara Lois Golden.
An act for the relief of Eva Maria Muller.
An act for the relief of Neil Marriott Compton.
An act for the relief of Carol Marilyn Margot Norcott.
An act for the relief of Eileen Alice Rose.
An act for the relief of Mable Irene Collin.
An act for the relief of Johan Hendrick Van Hattem.
An act for the relief of Rhoda Heitner.
An act for the relief of Normand Guy.
An act for the relief of Elizabeth McInnis.
An act for the relief of Carl Wilhelm Larson.
An act for the relief of Timothy Garfield Pilon.
An act for the relief of Mary Theressa Oliver.
An act for the relief of Egidia Floriana Ines Zeppettini.
An act for the relif of Georgette Lemieux.
An act for the relief of Sylvia Spivak.
An act for the relief of Margaret Pate Orr.
An act for the relief of Laureen Elizabeth Saunderson.
An act for the relief of Jeannine Marleau.
An act for the relief of Doris Villeneuve.
An act for the relief of Estelle Shetzen.
An act for the relief of Eva Knopf.
An act for the relief of Marie Alice DeWit.
An act for the relief of Jean-Louis Trudel.
An act for the relief of Doris Elizabeth McEllin.
An act for the relief of Mary Jane Gabrielle Black.
An act for the relief of Lucien Aube.
An act for the relief of Denis Biron.
An act for the relief of Guy Robitaille.
An act for the relief of Edith Henshaw Owen.
An act for the relief of Ruth Duggan.
An act for the relief of Joseph Georges Maurice Legault.
An act for the relief of Lomer Lussier.
An act for the relief of Anna May Blair.
An act for the relief of Norma Bernet Vallieres.
An act for the relief of Rose Belsky.
An act for the relief of Csilla Groszman.
An act for the relief of Selma Kostiner.

Royal Assent

An act for the relief of Leah (Lily) Goldberg.
An act for the relief of Isabella Gardiner.
An act for the relief of Diana Marian Favreau.
An act for the relief of Philias Doil Menard.
An act for the relief of Viesturs Goba.
An act for the relief of Clifford Woodward Hall.
An act for the relief of Emelia Gador.
An act for the relief of Barbara Jean Bertram O'Brien.
An act for the relief of Arthur George Sims.
An act for the relief of Gladys Evelyn Viau.
An act for the relief of Yvonne Humbert-Droz.
An act for the relief of Joseph Paul Maurice Marcel Lefebvre.
An act for the relief of Thomas Smith.
An act for the relief of Marie Pauline Monique Denise Ferron.
An act for the relief of Mara Wokrina.
An act for the relief of Joyce Mary Hagemeyer.
An act for the relief of Rowland McLean Loftus.
An act for the relief of Janina Stefania Luszcyki.
An act for the relief of Esther Mary Adler.
An act for the relief of Marie Juliette Ida Dick.
An act for the relief of Fred Austin Griffith.
An act for the relief of Joseph Paul Jules Jodoin.
An act for the relief of Janet Louisa Davis.
An act for the relief of Margaret Dorothy Smith.
An act for the relief of Christopher John Henry Doscher.
An act for the relief of Martha Saltvik.
An act for the relief of Eva Farkass.
An act for the relief of Albert Courtois.
An act for the relief of Madeleine Lebegue.
An act for the relief of Anthony Roy Rabone Hearn.
An act for the relief of Joseph Alfred Pope.
An act for the relief of Marigold Mavis Singer.
An act for the relief of Georgette Anne O'Leary.
An act for the relief of Ann Cicely Cosgrove.
An act for the relief of Agnes Hallstein.
An act for the relief of Shirley Sherry Aileen Sarah Bronfman.
An act for the relief of Leta Sybil Farmer.
An act for the relief of Vlasta Suchomel.
An act for the relief of Lilian Norah Smith.
An act for the relief of Sarah Galganov, otherwise known as Sarah Gale.
An act for the relief of Anna Zinger.
An act for the relief of Lucien Gagnon.
An act for the relief of Dennis James Haney.
An act for the relief of George Kenneth Polk.
An act for the relief of Mario Lattoni.
An act for the relief of Vincent Laplaca.
An act for the relief of Marie Marguerite Jeanne-d'Arc Paiement.
An act for the relief of Joy Earle.
An act for the relief of Barbara Rosemary Olga Barbary.
An act for the relief of Assof Ernest Shaar.
An act for the relief of Joseph Wilfrid Paul Emile Marois.
An act for the relief of Erwin Gustav Pfeifer.
An act for the relief of Rita Elizabeth Bowden.
An act for the relief of Hazel Margaret Calvert.
An act for the relief of Luciano Domenis.
An act for the relief of Antonio (Arthur) Archambault.
An act for the relief of Ernestine Lavallee.
An act for the relief of Joseph Honore Antonio Lacerta.
An act for the relief of Doreen Chantigny.
An act for the relief of Sema Borodow.
An act for the relief of Gisele Lamarche.
An act for the relief of Estelle Mathieu.
An act for the relief of Vilma Beaudoin.
An act for the relief of Donald Kirk.
An act for the relief of Jacques-Emile Blanchard.
An act for the relief of Guy Thomas Carpenter.
An act for the relief of George Louis Draper.
An act for the relief of Berthe Daigneault.
An act for the relief of Stephen Beauchemin.
An act for the relief of Marie Gabrielle Lise Chouinard.
An act for the relief of Zar Boik.
An act for the relief of John Anthony Clifford Manning.
An act for the relief of Pearl Arron.
An act for the relief of Joseph Alfred Laflamme.
An act for the relief of Dorothy Elizabeth Davies.
An act for the relief of Elizabeth Rae Murphy.
An act for the relief of Hazel May Terry.
An act for the relief of Therese Hastings.
An act for the relief of Paul Lapres.
An act for the relief of Mary Christine Sweeney.
An act for the relief of Corinne Ryder Nurse.
An act for the relief of Evelyn Sue Newton.
An act respecting The Cumberland Railway and Coal Company and the Sydney and Louisburg Railway Company.
An act respecting the civil service of Canada.
An act respecting the observance of the centennial of confederation in Canada.
An act to amend the National Housing Act, 1954.
An act respecting the construction of a line of railway in the province of Alberta and in the Northwest Territories by Canadian National Railway Company from a point at or near Grimshaw, in the province of Alberta, in a northerly direction to Great Slave lake, in the Northwest Territories.
An act to amend certain agreements respecting the administration and control of natural resources in the provinces of Manitoba, Alberta and Saskatchewan.
An act to encourage fitness and amateur sport.
An act to authorize the Minister of Finance to make payments to the governments and provinces and to authorize the government of Canada to enter into tax collection agreements with the governments of the provinces.
An act to amend the Transport Act.
An act to incorporate The Equitable General Insurance Company.

[Mr. Speaker.]

To these bills the royal assent was pronounced by the Clerk of the Senate in the following words:

In Her Majesty's name, the Honourable the Depuy of the Governor General doth assent to these bills.

Then the Speaker of the House of Commons addressed the Honourable the Deputy of the Governor General as follows:

May it please Your Honour:

The Commons of Canada have voted supplies required to enable the government to defray certain expenses of the public service.

In the name of the Commons I present to Your Honour the following bill:

An act for granting to Her Majesty certain sums of money for the public service of the financial year ending the 31st March, 1962.

To which bill I humbly request Your Honour's assent.

To this bill the Clerk of the Senate, by command of the Honourable the Deputy of the Governor General, did thereupon say:

In Her Majesty's name, the Deputy of the Governor General thanks her loyal subjects, accepts their benevolence, and assents to this bill.

PROROGATION OF PARLIAMENT

After which the Honourable the Deputy of the Governor General was pleased to close the

fourth session of the twenty fourth parliament of Canada with the following speech:

Honourable Members of the Senate:

Members of the House of Commons:

The fourth session of this parliament, the longest in Canada's history, has been particularly significant for the people of Canada, and the number of measures enacted on their behalf has been unusually large.

Mounting international tensions have been a source of deep anxiety, made more acute by the Soviet union's resumption of nuclear tests and the resultant fear of a renewed menace to human health through radioactive fall-out. These and related developments continue to command the vigilant attention of the government.

Berlin is the latest and most dangerous in a series of regional crises precipitated and exploited by the U.S.S.R. In the Congo, in Southeast Asia, as well as in Berlin, Canada has been active in international arrangements to contain conflict and restore stability. At the same time, my government has been energetic in promoting and exploring through the United Nations and in the North Atlantic alliance all possibilities for negotiated settlements of an honourable and lasting nature.

Despite delays and setbacks in progress toward a treaty providing for controlled disarmament, agreement has been reached on a framework to guide future negotiations with the Soviet side. The government has taken its part in formulating a new and comprehensive western plan which offers a realistic basis for early and effective measures to reduce both conventional and nuclear armaments under safeguards and to provide adequate international means for keeping the peace as disarmament proceeds.

At a meeting in London in March, the prime ministers of the commonwealth resumed their discussions of major world crises and reviewed constitutional developments. Far reaching decisions were taken affecting the composition and character of the commonwealth.

The importance of bearing a fair share of assistance to less developed nations continues to be recognized by the government. Established programs of aid were maintained and new emphasis given to educational assistance, drawing upon both of the historic cultures of Canada. Administrative changes were introduced to improve the central direction of all external assistance programs. Canada's diplomatic representation abroad was expanded, particularly in Latin America.

In the face of the increase in world tension it is necessary to maintain the strength of the free world. You have been informed of the measures being taken to strengthen the Canadian forces in Europe and at home, and of the survival training plan to be conducted in all parts of Canada this year.

During the present session you have welcomed and heard in parliament the President of the United States.

Important international tariff negotiations have been in process in Geneva. In these negotiations every effort has been made to meet the trade problems of Canada in a constructive way in dealing with the new economic grouping in Europe. My ministers have taken a leading role at a meeting of commonwealth economic ministers at Accra, convened to consider economic questions of the commonwealth, including the implications of the possible membership of the United Kingdom in the European economic community.

Important conferences with provincial governments have taken place during the session. Three further meetings have been held at which progress was made in finding ways and means of amending the Canadian constitution in Canada. A third dominion-provincial conference on fiscal arrangements was held, and you have approved legislation concerning the arrangements for the five year period beginning April 1962.

My government has been gratified to observe the recent improvement in the general economic conditions in Canada. Although the volume of employment has been at the highest level in the nation's history, the provision of additional employment to re-employ those who have been out of work and to keep pace with the growth in the labour force has remained a cause for concern in Canada as in the United States. Many of the measures passed during the session have been designed to stimulate the national economy and to create more jobs.

You have approved an expanded program of assistance to municipalities for winter works projects. You have amended the National Housing Act to make further improvements in the terms of mortgage lending, to authorize Central Mortgage and Housing Corporation to make loans on favourable terms to universities for students' residences, to enable the corporation to make long term loans to local authorities for approved projects for sewage disposal and treatment, and to increase the lending authority of the corporation.

To assist in strengthening Canada's competitive position in export and domestic markets, you have authorized the establishment of a national productivity council with membership from the fields of industry and commerce, organized labour, agriculture and other primary production, as well as qualified persons chosen from the public at large and from the scientific agencies of government. You have also approved the creation of a national design council which will be devoted to the promotion of excellence in the design of Canadian products of all kinds.

You have enacted measures to extend the assistance given to provincial governments for technical and vocational training, both within the school system and for the training and retraining of persons who have already become workers, and for the vocational rehabilitation of disabled persons.

To stimulate the growth of Canadian private enterprise you have approved legislation authorizing government guarantees for bank loans to small businesses. You have passed measures to expand the field of operations and the lending authority of the industrial development bank, and to make broader and more effective provision for export credits insurance.

Authority has been given under the Income Tax Act for accelerated capital cost allowances to assist new industries in areas having a substantial degree of continued unemployment over a period of years, to aid in the development of new products from processing operations not previously carried on in Canada, to encourage the production of new types of goods, and to promote re-equipment and modernization of Canadian industry. Amendments have been made in the Income Tax Act including revisions in the withholding taxes on interest and dividends paid to non-residents. The Excise Tax Act was amended, notably to repeal the special excise tax on automobiles.

You have enacted a measure in the national agriculture program to authorize the federal government to join with provincial agencies and local groups throughout Canada in comprehensive programs of rural rehabilitation and development. In addition, amendments were made to the Farm Improvement Loans Act to raise the over-all limit on guarantees of bank loans for farm improvement, and to the Farm Credit Act to increase the lending authority of the farm credit corporation for direct loans to Canadian agriculture.

A number of further steps were taken in the government's national development program. A treaty was signed with the United States on the international aspects of the proposed co-operative development of the Columbia river, and the federal government has offered, subject to the approval of parliament, to share equally with the province of British Columbia in the cost of the large water storage projects involved. Agreements have also been signed and appropriations made for flood control and conservation projects in the metropolitan Toronto and surrounding area and on the upper Thames river in southwestern Ontario. Legislation has been passed to approve a Canadian National Railway line to the new mining area near Mattagami lake in northwestern Quebec. In addition you have authorized the construction of a railway line from northern Alberta to Great Slave lake which constitutes another important step in the development of the Canadian north.

To accelerate the modernization of the Customs Tariff of Canada, you have enlarged the tariff board and authorized it to sit in two panels, and you have made certain revisions in the Customs Tariff.

Amendments to the Pension Act and to the War Veterans Allowance Act have been passed, including provision for substantial increases in pensions and allowances payable to veterans or their dependents.

A measure of potential significance that you have enacted in this session has been the Fitness and Amateur Sport Act, which authorizes the establishment of a national advisory council on fitness and amateur sport and the granting of financial assistance to activities that will promote the fitness of Canadians.

You have enacted a measure to revise the Civil Service Act.

Measures have been passed to improve the law and arrangements for the control of narcotics and of barbiturates. The Penitentiaries Act has been revised to give effect to my government's policies of correctional reform. Important amendments have been made to the Criminal Code on the subjects of murder and the treatment of sex offenders.

To provide for broader representation on the board of directors of the Canadian National Railways, you have enacted legislation to increase the number of its directors.

Amendments to the Canada Shipping Act have been approved.

You have passed the Canadian National Railways Financing and Guarantee Act.

You have authorized extension of the operation of the Freight Rates Reduction Act to April 30, 1962, and approved a measure to avert a nation-wide suspension of railway operations last winter and the disruption of the national economy that would otherwise have ensued.

The National Centennial Act has been passed, giving authority for the establishment of a national centennial administration and for other arrangements designed to ensure that the observance of the centennial of the confederation of Canada suitably accords with the greatness of the occasion.

The signing of an estate tax convention with the United States has been approved.

A number of less noteworthy amendments were made to various statutes.

Members of the House of Commons:

I thank you for the provision you have made for the essential public services and payments for the current fiscal year.

Honourable Members of the Senate:

Members of the House of Commons:

May divine Providence continue to bless, protect and guide our nation.

This concluded the fourth session of the twenty fourth parliament.

ANSWER TO QUESTION

The following answer, deposited with the Clerk of the house, is printed in the official report of debates pursuant to standing order 39:

C.M.H.C. SALE OF MORTGAGES

Question No. 298—**Mr. Regier:**

1. What is the total amount of the mortgage documents that, as to date, have been offered for sale to the public by Central Mortgage and Housing Corporation?
2. What was the amount of unpaid principal and the average interest rate of the securities that have been sold?
3. How much was realized from the sale of the above securities?

Answer by: **Hon. D. J. Walker (Minister of Public Works):**

Question

1. The total of the two offerings was $32,500,000. However, it was not intended to sell more than $30 million. The balance was offered merely to make a wider choice of location possible to prospective purchasers.

2. Sales were made on the basis of principal and interest and totalled $26 million, including $3¾ million of option tenders expiring October 28, 1961. All loans offered for sale to date carry an interest rate of 6¾ per cent per annum calculated semi-annually.

3. At the present time it is impossible to give an exact figure since some of the options have not yet been exercised. On the first sale, however, an average price of 101.17 was realized and on the second sale the average accepted tender price was 101.35.

Supply—Items Passed

[The following items were passed in committee of supply]:

DEPARTMENT OF FINANCE

General administration—

111. Departmental administration, $1,911,211.

Comptroller of the treasury—

112. Central office and branch offices administration, $21,579,725.

Administration of Various Acts and costs of special functions—

113. Superannuation and Retirement Acts administration, $851,916.

114. The Bank Act—salaries and expenses of the inspector general of banks' office, $34,330.

115. Administration of the Farm Improvement Loans Act, the Veterans' Business and Professional Loans Act, the Fisheries Improvement Loans Act, the Prairie Grain Producers' Interim Financing Act, the Prairie Grain Loans Act and the Small Businesses Loans Act, $108,293.

Tariff board—

116. Administration, $207,288.

Royal Canadian Mint—

117. Administration, operation and maintenance, $1,446,230.

118. Construction or acquisition of equipment, $103,620.

Subsidies and other payments to provinces—

Special payments to provinces—

119. Payments to the government of each province, in respect of income tax collected from corporations whose main business is the distribution to or generation for distribution to the public of electrical energy, gas or steam, of amounts computed in accordance with section 6 of The Tax Rental Agreements Act, 1952, as if the last two lines of subsection (1) of that section read as follows: "... ending on the thirty-first day of December, one thousand nine hundred and fifty-nine", $6,000,000.

Payments to municipalities—

120. Grants to municipalities in accordance with the Municipal Grants Act and regulations made thereunder, $24,700,000.

Contingencies and miscellaneous—

121. Miscellaneous minor or unforeseen expenses, subject to the approval of the treasury board, including authority to re-use any sums repaid to this appropriation from other appropriations, and for awards under the Public Servants Inventions Act, $1,500,000.

122. Telephone service at Ottawa for all departments, $1,562,700.

123. Losses incurred on foreign exchange tendered in payment of accounts receivable, $500.

General items of payroll costs including superannuation payments—

124. Government's contributions to pension plans (and death benefit plans) for employees engaged locally outside Canada who are excluded from the Public Service Superannuation Act, $85,000.

125. To supplement other votes, subject to the approval of the treasury board, for the payment of salaries, wages and other paylist charges, $3,000,000.

126. Government's contribution, as an employer, to the unemployment insurance fund in respect of government employees paid through the central pay office, $1,100,000.

127. Government's contribution to the hospital insurance (outside Canada) plan, $130,000.

128. Government's share of surgical-medical insurance premiums determined in accordance with regulations made pursuant to vote 124, Appropriation Act no. 6, 1960, $8,000,000.

Miscellaneous grants—

129. Canadian association of consumers, $10,000.

130. Institute of public administration of Canada, $6,000.

General administration—

517. Comptroller of the treasury—central office and branch offices administration—further amount required, $104,000.

Administration of various acts and costs of special functions—

518. Administration of the Farm Improvement Loans Act, the Veteran's Business and Professional Loans Act, the Fisheries Improvement Loans Act, the Prairie Grain Producers' Interim Financing Act, the Prairie Grain Loans Act and the Small Businesses Loans Act—further amount required, $14,954.

Contingencies and miscellaneous—

519. Miscellaneous minor or unforeseen expenses, subject to the aproval of the treasury board—further amount required, $1,500,000.

General items of payroll costs including superannuation payments—

520. To authorize the governor in council to add to part I of schedule A to the Public Service Superannuation Act (a) such part of the staff of government house as is paid by the governor general from his salary or alowance, (b) notwithstanding subsection (2) of section 9 of the Canadian Overseas Telecommunication Corporation Act, the Canadian overseas telecommunication corporation, and (c) notwithstanding subsection (1) of section 5 of the Government Companies Operation Act, Canadian Arsenals Limited; and to authorize the governor in council to make regulations respecting the terms and conditions under which any employee of the Canadian Overseas Telecommunication Corporation or Canadian Arsenals Limited who is, on the addition of those corporations to part I of schedule A, a member of a pension plan to which either corporation contributes in respect of him, may elect not to become a contributor under the Public Service Superannuation Act, $1.

607. To supplement the estimates of other departments for programs which will provide employment in Cape Breton, $120,000.

DEPARTMENT OF TRANSPORT

Air services—

Administration branch—

429. Air services administration, $1,852,117.

430. Construction services administration, $3,708,165.

Civil aviation branch—

431. Control of civil aviation including the administration of the Aeronautics Act and regulations issued thereunder, $3,115,149.

432. Airports and other ground services—operation and maintenance, $21,508,485.

433. Air traffic control, $7,680,749.

434. Construction or acquisition of buildings, works, land and equipment with respect to national airports (as determined by the Minister of Transport) and related facilities: contributions towards construction done by local or private authorities with respect to such airports, amounts to be paid in settlement of claims for compensation by persons whose property is injuriously affected by the operation of a zoning regulation made under authority of paragraph (j) of subsection (1) of section 4 of the Aeronautics Act and authority,

notwithstanding section 30 of the Financial Administration Act, to make commitments for the current year not to exceed a total amount of $69,893,200, $60,900,000.

435. Contributions, in accordance with terms and conditions approved by the governor in council, to assist in the establishment or improvement of local airports and related facilities, $161,000.

436. Grants for the development of civil aviation, in the amounts detailed in the estimates, $430,000.

437. Payments to the other governments or international agencies that are detailed in the estimates for the operation and maintenance of airports, air navigation and airways facilities, including authority to pay assessments in the amounts and in the currencies in which they are levied, notwithstanding that the total of such payments may exceed the equivalent in Canadian dollars, estimated as of December, 1960, which is, $215,592.

Telecommunications and electronics branch—

Radio aids to air and marine navigation—

438. Administration, operation and maintenance, $18,974,780.

439. Construction or acquisition of buildings, works, land and equipment, $14,400,000.

Radio Act and regulations—

440. Administration, operation and maintenance including Canada's share of the costs of the international radio, telegraph and telephone organizations listed in the details of the estimates, $2,971,548.

441. Construction or acquisition of buildings, works, land and equipment, $400,500.

Telegraph and telephone service—

442. Administration, operation and maintenance, $72,115.

443. Construction or acquisition of buildings, works, land and equipment, $77,400.

Meteorological branch—

444. Administration, operation and maintenance, including Canada's assessment for membership in the world meteorological organization and $25,000 for grants in aid of meteorological research in Canadian universities, $17,121,292.

445. Construction or acquisition of buildings, works, land and equipment, $1,769,800.

B—General—

Air transport board—

446. Salaries and other expenses including the Canadian delegation to the international civil aviation organization, $550,469.

Board of transport commissioners for Canada—

447. Administration, operation and maintenance, $1,249,433.

448. Amount to be credited to the railway grade crossing fund, in addition to the amount to be credited to the fund under the Railway Act in the current fiscal year, for the general purposes of the fund, and authority, notwithstanding section 30 of the Financial Administration Act, to make commitments pursuant to this item for the current and subsequent fiscal years not to exceed a total amount of $10,000,000, $5,000,000.

Canadian maritime commission—

449. Administration, $169,955.

450. Steamship subventions for coastal services, as detailed in the estimates, $6,466,459.

National Harbours board—

451. Advances to national harbours board, subject to the provisions of section 29 of the National Harbours Board Act, to meet expenditures applicable to the calendar year 1961 on any or all of the following accounts: reconstruction and capital expenditures—

Halifax	$ 905,065
Saint John	2,452,000
Chicoutimi	15,000
Quebec	2,120,000
Churchill	2,460,000
Generally—	
Unforeseen and miscellaneous	200,000
	$8,152,065

Less—amount to be expended from replacement and other funds $1,962,513, $6,189,552.

St. Lawrence seaway authority—

452. Operating deficit and capital requirements of canals and works entrusted to the St. Lawrence seaway authority with the approval of the governor in council, and to authorize, notwithstanding the Financial Administration Act or any other act, the disbursement by the authority of revenues derived from the operation and management of such canals and works, $1,123,356.

Canadian overseas telecommunication corporation—

491. Loan to the Canadian overseas telecommunication corporation in accordance with section 14 of the Canadian Overseas Telecommunication Corporation Act for additions and betterments to facilities, $8,000,000.

National harbours board—

492. Advances to national harbours board subject to the provisions of section 29 of the National Harbours Board Act, to meet expenditures applicable to the calendar year 1961 on any or all of the following accounts:

Reconstruction and capital expenditures—

Three Rivers	$ 410,000
Montreal	19,217,324
Vancouver	1,872,125
	$21,499,449

Less—amount to be expended from replacement and other funds, $3,595,457, $17,903,992.

St. Lawrence seaway authority—

493. Loans to the St. Lawrence seaway authority in such manner and subject to such terms and conditions as the governor in council may approve, $15,000,000.

Air services—

Civil aviation branch—

587. Contributions, in accordance with terms and conditions approved by the governor in council, to assist in the establishment or improvement of local airports and related facilities—further amount required, $100,000.

Telecommunications and electronics branch—

Radio aids to air and marine navigation—

588. Administration, operation and maintenance—further amount required, $128,760.

Meteorological branch—

589. Administration, operation and maintenance—further amount required, $400,000.

B—General—

Board of transport commissioners—

590. Interim payments, related to recommendations of the Royal commission on railway problems pending its complete report, to companies as defined in the Freight Rates Reduction Act of an aggregate amount in respect of the calendar year 1961 of $50,000,000, to be paid in instalments at such times and in accordance with such method of allocation as may be determined by the Board

Supply—Items Passed

of Transport Commissioners for Canada, as compensation to such companies for the maintenance of their rates on freight traffic at reduced levels as provided for in the said act, $50,000,000.

Canadian maritime commission—

591. Steamship subventions for coastal services, as detailed in the estimates—further amount required, $179,000.

592. Capital subsidies for the construction of commercial and fishing vessels in accordance with regulations of the governor in council, $10,000,000.

National harbours board—

593. Advances to national harbours board, subject to the provisions of section 29 of the National Harbours Board Act, to meet expenditures applicable to the calendar year 1961 on the following account:

Reconstruction and capital expenditures—Quebec —further amount required, $1,300,000.

Less—Amount to be expended from replacement and other funds, $250,000, $1,050,000.

St. Lawrence seaway authority—

594. Operating deficit and capital requirements of canals and works entrusted to the St. Lawrence seaway authority—further amount required, $366,000.

Loans, investments and advances—

Transport—

602. To increase to $9,000,000 the amount that may be charged at any time to the revolving fund mentioned in subsection (2) of section 101 of the Financial Administration Act, chap 12, statutes of 1951 (2nd session), and extended by vote 630 of the Appropriation Act No. 2, 1955, vote 662 of the Appropriation Act No. 5, 1958, and vote 710 of the Appropriation Act No. 3, 1960; additional amount required, $2,000,000.

END OF SESSION